FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

East Asia

FBIS-EAS-94-116
Thursday
16 June 1994

Daily Report
East Asia

FBIS-EAS-94-116 CONTENTS *16 June 1994*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

IAEA Not 'Officially Informed' by DPRK *[Berlin DDP/ADN]* 1
  IAEA 'Expecting' Confirmation *[Berlin DDP/ADN]* 1
DPRK Minister: No IAEA Nuclear Inspections *[KYODO]* 1

INTER-ASIAN AFFAIRS

AIPO Official: PRC Supports Spratlys Program *[BUSINESS WORLD 10 Jun]* 2
APEC Conference on Manpower Development Opens *[YONHAP]* 2

NORTHEAST ASIA

Japan

Reports on U.S.-Japan Semiconductor Talks 3
  Microchip Pact Extension Issue *[KYODO]* 3
  Further on Extension Issue *[KYODO]* 3
Foreign Chips Capture 22 Percent of Market *[KYODO]* 3
East Asia Economic Caucus Opposed by U.S. *[KYODO]* 4
Hearing on U.S. Apple Imports Planned *[KYODO]* 4
Seminar on U.S. Car Sales Held in Tokyo *[KYODO]* 4
Okinawa Urges U.S. To Cut Bases in POST Ad *[KYODO]* 5
Further Reports Concerning DPRK Issues 5
  PRC's Position Unchanged *[Tokyo TV]* 5
  Sanctions Would Cause 'Starvation' *[KYODO]* 5
  SDPJ Pushes U.S.-DPRK Talks *[KYODO]* 6
May Trade Surplus Down, Imports Up *[KYODO]* 6
Vice Finance Minister on Trade Surplus With U.S. *[KYODO]* 7
Diet To Pass Budget 22 Jun at 'Earliest' *[KYODO]* 7
Hata Urged To Cut Budget 20 Trillion Yen by 2004 *[KYODO]* 7
Hata Receives Petition on New Electoral System *[KYODO]* 7
New Election System Supported by Majority of LH *[KYODO]* 8
Coalition, Opposition Agree on Electoral Reform Plan *[KYODO]* 8
Takemura Predicts No Extension for Diet Session *[KYODO]* 8
Diet Panel To Summon Former Premier Hosokawa *[KYODO]* 9
Hosokawa Reportedly Paid Back Sagawa Loan *[KYODO]* 9
SDP, DSP Agree To Start Talks for New Coalition *[KYODO]* 10
Lower House Approves Product Liability Bill *[KYODO]* 10
Expected Tax Proposals Highlighted *[KYODO]* 11
Panel Urges Reforms To Revitalize Economy *[KYODO]* 11
Panel Advocates New National Development Plan *[KYODO]* 12
Toyota's Domestic Output To Surpass Previous Year *[KYODO]* 12
Double Disk Capacity Laser Diode Developed *[KYODO]* 12

Mongolia

Democratic Rebirth Party Holds First Meeting *[ITAR-TASS]* 12
Central Bank To Issue New Notes, Coins *[MONTSAME]* 13
Firm To Fly New Routes to Singapore, Kazakhstan *[MONTSAME]* 13
MONTSAME Carries Press Review for 15 Jun 13

North Korea

Withdrawal From NPT Depends on 'Developments' *[KCNA]* 14
U.S. 'Military Pressure', 'Scheming' Rejected *[KCNA]* 15
Former U.S. President Carter's Visit Reported 15
  Attends Reception With Entourage *[Pyongyang Radio]* 15
  Meets With Kim Il-song *[Pyongyang Radio]* 16
  Delivers Gift for Kim Il-song *[KCNA]* 16
  Delivers Gift for Kim Chong-il *[KCNA]* 17
  Meets With Vice Foreign Minister *[KCNA]* 17
Foreigners Denounce U.S. 'Pressure Campaign' *[KCNA]* 17
U.S. Steps Against Peace Treaty Proposal Noted *[KCNA]* 17
Anti-U.S. Protests by ROK Students Reported *[KCNA]* 18
Voice of America Cited on Situation in Korea *[KCNA]* 18
ROK's 'Provocative Act' in DMZ Denounced *[Pyongyang Radio]* 18
ROK's 15 Jun Civil Defense Training Reported *[KCNA]* 19
  'War Fever' Denounced *[Pyongyang Radio]* 19
  Drill Called 'War Preparations' *[Pyongyang Radio]* 19
Remarks by ROK Student Group Leader Reported *[KCNA]* 20
Pomchonghaknyon Statement on Japanese 'Suppression' *[KCNA]* 20
Christian Federation Denounces Japan's 'Raid' *[KCNA]* 21
More Criticism of 'Suppression' of Chongnyon *[KCNA]* 21
Armed Forces Minister Meets With SRV Delegation *[KCNA]* 21
Meeting Held To Welcome PRC School Delegation *[KCNA]* 21
Rimpac Exercise Military Act 'Against' DPRK *[Pyongyang Radio]* 22
Foreign Media Urge South To Destroy 'Wall' *[KCNA]* 23
Anniversary of Kim Chong-il WPK Work Marked 23
  Ministry of Armed Forces Seminar *[KCNA]* 23
  Kim Pong-yol Attends Seminar *[Pyongyang Radio]* 23
  Daily Marks Anniversary of Work *[KCNA]* 24
  National Photo Exhibit Held *[KCNA]* 25
Kim Chong-il Extends Thanks to Various Units *[KCNA]* 25
Kim Chong-il Efforts in Rail Development Hailed *[KCNA]* 25
* Paper Reports Worldwide Grain Shortage *[MINJU CHOSON 22 Apr]* 25
Seminar of Party Cadres Training Centers Held *[KCNA]* 26
Country Preserving 'Revolutionary Relics' *[KCNA]* 27
Korean People's Army Sports Competitions Open *[KCNA]* 27

South Korea

IAEA Officially Recognizes DPRK Withdrawal *[Seoul Radio]* 27
Government Agrees to U.S. Sanctions Resolution *[YONHAP]* 28
  Foreign Ministry Views Approval *[YONHAP]* 28
  Opposition Figures Oppose Sanctions *[YONHAP]* 29
  'Contradictions' in U.S. Policy *[HANGUK ILBO 16 Jun]* 29
Carter Remarks on U.S.-DPRK Normalization *[Seoul Radio]* 30
Scholars Polled on DPRK Nuclear Issue *[YONHAP]* 30
DPRK To Use Japanese Wives as 'Human Shield' *[YONHAP]* 31
DPRK Defector Accepted at Kimpo After Fleeing *[YONHAP]* 31
Former DPRK Loggers in Siberia Describe Work *[YONHAP]* 31
Ministry To Publicize War Documents From Russia *[YONHAP]* 32
Russia: Five N. Koreans 'Unwelcome' Diplomats *[Seoul Radio]* 32
PRC Denies Rumor of DPRK Military Aid *[Seoul Radio]* 32
Industrial Cooperation With PRC Planned *[THE KOREA TIMES 16 Jun]* 32
Government Invited To CSCE Meeting in Budapest *[YONHAP]* 33
Former Minister Named 'Special' Ambassador *[YONHAP]* 33
Ruling Party Discusses DPRK With Ministers *[Seoul Radio]* 34
DLP Demand on Denuclearization Analyzed *[CHOSON ILBO 16 Jun]* 34
* Foreign Minister Han's Nuclear Policy Viewed *[MAL May]* 34
Ten Charged With Violating Security Law *[YONHAP]* 38
Defense Ministry Streamlining Support System *[CHUNGANG ILBO 16 Jun]* 38

◆

Defense Ministry Plans To Give Daily Briefing *[YONHAP]* 38
Daily Reports 'Hoarding' by Residents *[THE KOREA TIMES 16 Jun]* 38
Firms Increase Wages in 1994 Negotiations *[YONHAP]* 39
* Government Plans To Transfer Tasks *[TONG-A ILBO 23 May]* 39
* Government Condemned for 'Media Control' *[HANGYORE SINMUN 14 May]* 39

SOUTHEAST ASIA

Brunei, Malaysia & Singapore

Malaysia

Mahathir Promises To Counter U.S. Opposition *[Kuala Lumpur Radio]* 41
UK Clarification Sought on Action *[BERITA HARIAN 9 Jun]* 41
Two Thai Fishing Boats, Fishermen Detained *[NEW STRAITS TIMES 15 Jun]* 41
Official: Plan To Woo Scientists 'Ready' *[BERNAMA]* 42
Airline Signs Tripartite Agreement *[Kuala Lumpur Radio]* 42

Cambodia

Ministry Says US Deal Facing 'Problems' *[REAKSMEI KAMPUCHEA 14 Jun]* 42
Roundtables for National Reconciliation Held 43
    KR Refuses Proposed Schedule *[Phnom Penh Radio]* 43
    Results of 15 Jun Roundtable *[Phnom Penh Radio]* 43
    'No Headway' on Second Day *[AFP]* 43
    DK Delegate Advocates Peace *[Radio VGNUFC]* 44
Commission To Monitor Vietnamese Formed *[Radio VGNUFC]* 45

Indonesia

Suharto 'Concerned' Over Nuclear Tension *[ANTARA]* 45
Deputy Minister Meets Seoul Envoys in Tehran *[Tehran Radio]* 45
Daily Views Suharto's Press Criticism *[Jakarta Radio]* 46

Philippines

Ramos Discusses Korean Crisis, Nuclear Test *[Quezon City Radio-TV]* 46
Jakarta Releases Detained Fishermen *[Quezon City Radio-TV]* 47
Ramos Names New National Police Chief *[Quezon City Radio]* 47

Thailand

Cambodian Bandits Hold Villagers Hostage *[Bangkok Radio]* 47
Mekong States Expect To Reach Accord 'Soon' *[THE NATION 16 Jun]* 47
Foreigners To Have Bigger Share in Business *[Bangkok Radio]* 48
Phalang Tham Party Backs Reform Motion *[THE NATION 16 Jun]* 48
Army Chief Backs Military Role in Panel *[BANGKOK POST 16 Jun]* 49
Analysts Foresee Stable Economy *[THE NATION 16 Jun]* 50
Comments on Setting Up of Ammendment Body *[KRUNGTHEP THURAKIT, etc.]* 50

Vietnam

Deputy PM Interviewed on US-SRV Relations *[SAIGON GIAI PHONG 30 May]* 51
Nguyen Manh Cam Interviewed on ASEAN Ties *[SAIGON GIAI PHONG 23 May]* 52
Vietnam Wants To Join Asia-Pacific Bodies *[KYODO]* 54
Economic, Trade Ties With Russia Reviewed *[Hanoi International]* 54
Phan Van Khai, Delegation Leave for Canada *[VNA]* 54
Official Interviewed on European Trip *[Hanoi Radio]* 55
Employment Minister Begins Asian Tour *[Melbourne International]* 55
AFP Delegation Makes Four-Day Visit *[VNA]* 55
National Assembly Proceedings Continue 56

Communique No. 15 Issued *[Hanoi Radio]* 56
Ministers Answer Questions *[Hanoi Radio]* 56

AUSTRALASIA

Australia

PRC Wants IAEA Details on Nuclear Program *[Melbourne International]* 58
Evans Warns DPRK To Reconsider Withdrawal *[Melbourne International]* 58
Government Protests to PRC Envoy Over Test *[Melbourne International]* 58
Pacific Nations Warned To Improve Economics *[Melbourne International]* 58
Satellite Station Opens in Hobart *[Melbourne International]* 58
Canberra Expanding Trade, Investment *[Melbourne International]* 59

Fiji

Rabuka Warns of Another Possible Coup *[Melbourne International]* 59

Papua New Guinea

Port Moresby Mortgages National Assets *[Melbourne International]* 59

Vanuatu

Prime Minister Responds to Policy Statement *[Melbourne International]* 60

IAEA Not 'Officially Informed' by DPRK

LD1406092894 Berlin DDP/ADN in German 0838 GMT 14 Jun 94

[Text] Leipzig (DDP/ADN)—The International Atomic Energy Agency (IAEA) has not yet been officially informed that North Korea is to leave. Statements from the North Korean Foreign Ministry have only come through the media, IAEA spokesman Hans-Friedrich Meyer said today on Mitteldeutscher Rundfunk (MDR). The IAEA inspectors have also not yet been asked to leave the country.

Meyer stressed that North Korea leaving the IAEA does not automatically mean it has to leave the Nuclear Nonproliferation Treaty. Separate control agreements exist here. These also still allow for on-the-spot checks.

According to the IAEA spokesman, the nuclear danger posed by North Korea is being "played up by the media." "The IAEA has never said that North Korea has bombs."

IAEA 'Expecting' Confirmation

LD1506093194 Berlin DDP/ADN in German 0926 GMT 15 Jun 94

[Text] Frankfurt am Main (DDP/ADN)—The International Atomic Energy Agency (IAEA) is expecting written confirmation today of North Korea's withdrawal from the organization, IAEA spokesman David Kyd said on Hessischer Rundfunk radio today. At the same time, Kyd contradicted reports over the past few days that North Korea had threatened to withdraw from the Nuclear Nonproliferation Treaty. "North Korea has not done that," Kyd stressed.

North Korea has been in a grey area after it announced in 1993 that it would leave the Nuclear Nonproliferation Treaty but then withdrew this application at the last minute. "They are neither a member nor a nonmember of the treaty, but the community of nations considers North Korea still to be a member." Now we are concerned only with how the country will react in the future, he said.

As things stand, it does not appear that North Korea wants to sell material suitable for the production of nuclear weapons, Kyd said, but they had to continue to follow developments. Despite reports from the secret services, it is still not clear whether North Korea has nuclear bombs. The only thing they are certain of is that the country has more plutonium in its possession than it officially admitted to, Kyd said.

DPRK Minister: No IAEA Nuclear Inspections

OW1506053094 Tokyo KYODO in English 0451 GMT 15 Jun 94

[Text] Tokyo, June 15 KYODO—North Korea's Minister of People's Armed Forces O Chin-u said North Korea will never again permit inspections of its nuclear facilities by the International Atomic Energy Agency (IAEA), in a speech carried Wednesday by Radio Pyongyang.

In a broadcast monitored in Tokyo by the SHIN-A NEWS AGENCY, O said North Korea took the "defensive measure of pulling out of the IAEA and will never again permit inspections" because of the agency's "arrogant and insolent" demands for nuclear checks.

The broadcast comes as IAEA officials are pointing out that despite North Korea's announcement Monday that it was pulling out of the agency, it is still subject to nuclear inspections by the IAEA under the Nuclear Nonproliferation Treaty.

O's speech was made at a welcome reception for a Vietnamese military delegation visiting Pyongyang, led by Defense Minister Gen. Doan Khue, SHIN-A reported.

AIPO Official: PRC Supports Spratlys Program

BK1306095194 Manila BUSINESS WORLD in English 10 Jun 94 p 1

[By Wilfredo G. Reyes]

[Text] Beijing has reaffirmed its commitment to a common economic exploration and development program for the disputed Spratly Island group but has remained silent on an accompanying proposal for a phased military force reduction among contending claimants in the area.

In an official statement, House Speaker Jose de Venecia Jr., who is currently in Beijing in his official capacity as president of the Association of Southeast Asian Nations (ASEAN) Inter-parliamentary Organization (AIPO), said Chinese Vice-Premier and Foreign Minister Qian Qichen reaffirmed his country's support for the adoption of a common economic exploration and development program in the area.

Messrs. de Venecia and Qian agreed that a common economic development program in the island group "could include fisheries, minerals, oil and gas exploration, maritime arrangements, and weather forecasting."

But Mr. Qian was noncommittal on Mr. de Venecia's remarks regarding a four-year old proposed "concomitant reduction of forces (which) would be a prelude to eventual demilitarization of the Spratlys." However, Vice Chairman Wang Hanbin of Beijing's National People's Congress (NPC) assured the AIPO delegation that Chinese parliamentarians support proposals for contending parties to temporarily shelve their claims to sovereignty to the islands.

Current strategic assessments of forces stationed in the islands have manifested continuing constructions of air and naval support facilities, aimed at facilitating force buildup during crisis situations.

The AIPO delegation had earlier held discussions with President Jiang Zemin, NPC standing committee chairman and former security chief Qiao Shi, as well as Foreign Relations Committee Chairman Zhu Liang, during which Mr. Jiang had vaguely assured the delegation that his government would "play a positive role, not a negative role" in dealing with the currently brewing crisis in the Korean peninsula.

Mr. Jiang had also issued the customary assurance that his country "will not be a threat to its neighbors in Asia or to world peace," pointing out that increases in his country's defense budget were caused merely by "inflation adjustment."

For his part, Mr. de Venecia sought views on China's experiences with special economic zones, reforestation, forest conservation, mass housing, operation of township enterprises, and waste disposal.

Mr. de Venecia led a 12-man ASEAN delegation composed of Reps. Antonio Cuenco of Cebu, Victor Ortega of La Union, and Roque Ablan Jr. of Ilocos Norte; Deputy Speaker Eugene Yap Giau Cheng and Teo Tee of Singapore; Tjokong Tarigan Sibero and Benjamin Massakh of Indonesia; Shahidan Kassim and Chor Chee Heung of Malaysia; and, Adm. Prawit Siwaraks and Burirak Namwat of Thailand.

APEC Conference on Manpower Development Opens

SK1306010594 Seoul YONHAP in English 0017 GMT 13 Jun 94

[Text] Seoul, June 13 (YONHAP)—The Asia-Pacific Economic Cooperation (APEC) forum opened a four-day working-level meeting here Monday to discuss manpower development.

The 10th meeting is being attended by representatives from 17 APEC member countries, Chile, which is scheduled to join the group in November, and the Pacific Economic Cooperation Committee (PECC).

Discussions will be held in four subcommittees—the education forum, the economic development network, the management network and the industrial technology network.

Participants are expected to concentrate on an occupational training program proposed by South Korea at the fifth APEC ministerial conference and the manpower development projects agreed at the APEC leaders' meeting in Seattle, Washington, last year.

The APEC occupational training program calls for exchanges of teachers, technology and technicians, job training, equipment support and the formation of a network to exchange information on occupational training.

Pae Yong-sik, an official of South Korea's Economic Planning Board and chairman of the conference, said the meeting is aimed at promoting the introduction to developing countries of management skills from advanced nations.

South Korea hopes to foster a favorable investment and trade climate in other countries by providing occupational training for workers from developing states, Pae said.

Japan

Reports on U.S.-Japan Semiconductor Talks

Microchip Pact Extension Issue

OW1606063594 Tokyo KYODO in English 0604 GMT 16 Jun 94

[Text] Tokyo, June 16 KYODO—The latest Japan-U.S. semiconductor trade talks did not take up the issue of whether or not to terminate a bilateral microchip pact after the July 1996 expiration, a senior Japanese Trade Ministry official said Thursday [16 June].

"During the just-ended trade session, both parties agreed to take time toward July 31 this year in studying the issue," Hideaki Kumano, vice international trade and industry minister, told a press conference.

Japan and the United States must decide whether or not to end the 1991 chip accord by the end of July.

The accord calls for Japan to maintain a "gradual and steady" increase in the foreign share of the Japanese microchip market above 20 percent.

The two-day microchip trade talks followed an announcement that foreign-made semiconductors continued to seize more than 20 percent of the Japanese market in the January-March period.

Further on Extension Issue

OW1606111794 Tokyo KYODO in English 1110 GMT 16 Jun 94

[Text] Tokyo, June 16 KYODO—Japan and the United States on Thursday [16 June] evaluated foreign access to Japan's semiconductor market but avoided discussing whether or not to end a bilateral chip trade pact before the July 1996 expiration, a Japanese Trade Ministry official said.

During regular chip trade talks in Tokyo, both parties instead agreed to review the "appropriateness" of an earlier termination to the pact by the end of July this year, the Japanese official told a press conference. The U.S. "has made clear it has no interest" in an early termination, a U.S. official told reporters. "It is important to see the agreement will run its full course." Japan's stance on the issue has yet to be decided, the Japanese official said.

The July 1991 bilateral chip trade accord calls for Japan to maintain a "gradual and steady" increase in the foreign chip share of the Japanese market above the 20 percent level. Under the pact, both parties are required to decide at the end of July this year whether or not to end it before the 1996 expiration.

The two-day session, the second of its kind this year following the Hawaii gathering in March, came after Tuesday's announcement that foreign-made semiconductor chips continued to seize more than 20 percent of the Japanese market in the January-March quarter.

The latest meeting assessed the first-quarter foreign chip share, the recent increase in foreign chip sales in Japan and implementation of "design-in" joint cooperation programs for making chips from the development stage, the Japanese official said. Washington appreciates the latest foreign chip share, the U.S. Official said.

The Japanese side sought further marketing efforts from U.S. Chip makers, including securing a stable product supply, the Japanese official said, noting some types of foreign chips are in short supply in Japan.

Foreign Chips Capture 22 Percent of Market

OW1406134994 Tokyo KYODO in English 1338 GMT 14 Jun 94

[Text] Tokyo, June 14 KYODO—Foreign-made semiconductor chips captured more than 20 percent of the Japanese market in the January-March period, according to both Japanese and U.S. calculations, the Trade Ministry said Tuesday [14 June].

The foreign share for the reporting quarter came to 22.0 percent under a Japanese formula, a marginal drop from 22.1 percent in the fourth quarter of 1993, while the same share under a U.S. method stood unchanged at 20.7 percent.

The foreign chip share for the year's first quarter remained nearly identical to that in the preceding quarter, a clear contrast from the downtrend seen in the first quarter of past years, an official at the Ministry of International Trade and Industry (MITI) said. A 1991 bilateral chip trade accord calls for Japan to maintain a "gradual and steady" increase in the foreign share above the 20 percent level.

Both domestic chip consumption and foreign chip sales in Japan declined in the January-March period from the preceding quarter in terms of value. However, the pace of the fall for both figures, which are not available according to mutual agreement, was smaller in the latest quarter than in previous years, the official said. "The latest statistics signal that the penetration of foreign chips in the Japanese market has been on the rise," the MITI official said.

Tori Sato, incoming chairman of the Electronic Industries Association of Japan's Users' Committee of Foreign Semiconductors, said in a statement that "the fact that the foreign share remained close to the level attained in the fourth quarter of 1993 indicated that both sides continue to make progress in promoting access to the Japanese semiconductor market." "We encourage foreign products to continue to work with us in promoting greater cooperation between industries, so that everyone will be able to prosper in the Japanese market," said Sato, also executive vice president of Hitachi Ltd.

In Washington, U.S. Trade Representative Mickey Kantor said in a statement, "the U.S. is pleased to see a market share of over 20 percent has been maintained for two quarters in a row." "The latest reading is extremely important for the fate of the ongoing Japan-U.S. trade framework talks," he said.

The 1991 chip accord incorporates two different methods for calculating the foreign share in Japan. The U.S. counts only on the sales of foreign chips in the open market. The Japanese formula allows a broader measurement that includes so-called "captive" sales of U.S. companies to their Japanese subsidiaries and those by Japanese companies under foreign brand names.

Based on the latest calculation, Japan and the U.S. will hold chip trade talks in Tokyo on Wednesday and Thursday. The meeting will focus on reviewing implementation of steps agreed on during the Hawaii talks in March this year, including the "design-in" cooperation program for making semiconductors from the development stage, the MITI official said.

East Asia Economic Caucus Opposed by U.S.

OW1506054594 Tokyo KYODO in English 0433 GMT 15 Jun 94

[By Siti Rahil]

[Text] Singapore, June 15 KYODO—The United States has formally informed Japan it opposes the Association of Southeast Asian Nations (ASEAN) plan for an East Asian Economic Caucus (EAEC), official Japanese and ASEAN sources said Wednesday [15 June].

The U.S. Embassy in Tokyo conveyed Washington's opposition to the EAEC proposal to the Japanese Government June 7, saying the caucus would have a negative effect on the Asia-Pacific Economic Cooperation (APEC) forum.

It marks the first time that the administration of President Bill Clinton, which has taken a wait-and-see attitude on the EAEC, has explicitly opposed the proposal.

The embassy also told Japanese officials that Thailand, which is the current chairman of ASEAN, and Brunei, as the ASEAN chairman of the U.S.-ASEAN dialogue this year, will be informed about Washington's stance.

The declaration of U.S. opposition to the caucus comes soon after ASEAN officials briefed the U.S. Government during the u.S.-ASEAN dialogue meeting in Washington in may on the details of the EAEC as formulated by ASEAN in a blueprint on the EAEC concept.

According to the blueprint, the EAEC is not "a subsidiary organ of APEC but would function independently of it."

It points out that even though ASEAN agreed last year that the EAEC would function as a caucus within APEC, it is not a caucus "of" APEC.

The blueprint also says "the caucus would determine its own agenda" and "the results of the caucus' discussions need not be reported to APEC meetings unless deemed necessary."

At the Washington meeting, ASEAN officials assured the U.S. Government that the EAEC would not be confrontational and would be compatible with the U.S.-favored APEC forum. U.S. Assistant Secretary for East Asia and Pacific Affairs Winston Lord did not give a response at the time.

The administration of former President George Bush had bitterly opposed the plan for the EAEC, which would exclude the U.S. because of worries that it would become a confrontational economic weapon of Asian economies against the developed world. But the Clinton administration initially appeared to move toward a softer stance.

Washington's latest opposition makes it more difficult for Japan to accept ASEAN's invitation to join the EAEC. So far, Japan has remained cool toward the issue because of fear of antagonizing the U.S.

The absence of Japan, Asia's economic powerhouse, from the EAEC would put the proposal in a quandary and analysts say ASEAN may now have no choice but to make further changes to the EAEC concept.

Hearing on U.S. Apple Imports Planned

OW1506054494 Tokyo KYODO in English 0434 GMT 15 Jun 94

[Text] Tokyo, June 15 KYODO—The Ministry of Agriculture, Forestry and Fisheries said Wednesday [15 June] it will hold a public hearing in Tokyo on July 7 and 8 on imports of U.S.-grown apples.

The ministry said it will take applications from those who want to speak at the hearing until June 24.

With U.S. quarantine measures to prevent apple disease having already cleared Japanese requirements, Japan plans to lift its ban on imports of U.S. apples this fall.

Japan has kept its market closed to U.S. apples, citing worms and disease which it had said could contaminate Japanese crops.

Ministry sources said that at a similar hearing in April last year on imports of New Zealand apples, domestic apple growers clamored for the continued ban on foreign apples.

Seminar on U.S. Car Sales Held in Tokyo

OW1406122394 Tokyo KYODO in English 1143 GMT 14 Jun 94

[Text] Tokyo, June 14 KYODO—About 250 representatives of Japanese and foreign automakers and dealers attended a seminar held in Tokyo Tuesday [14 June] to help promote sales of cars imported from the United States.

The Japan Automobile Dealers Association, which sponsored the session, told those attending that the number of Japanese dealers selling imported cars has increased because they are not barred by affiliated makers from selling products of other manufacturers. The association said the number of such dealers will continue to increase if imported cars are competitive in quality and price.

Konen Suzuki, president of Ford Motor Co. (Japan) Ltd., and other representatives of the Big Three U.S. automakers explained their marketing strategies in Japan.

The seminar was organized by the association to help promote Japan-U.S. negotiations for a new framework of bilateral trade. The association said it plans to hold a similar seminar for cars imported from Europe.

Okinawa Urges U.S. To Cut Bases in POST Ad

OW1606075394 Tokyo KYODO in English 0733 GMT 16 Jun 94

[Text] Washington, June 16 KYODO—Okinawa Prefecture urged the United States to curtail its bases in southernmost Japan in a full-page WASHINGTON POST advertisement Thursday [16 June], saying aircraft noise and shooting drills are hurting the residents' living conditions and the environment.

The ad is timed with Okinawa Governor Masahide Ota's visit to the U.S., starting Thursday, to press the White House and the Pentagon on the issue. Ota said in the ad that his past two visits to the U.S. to seek a solution to the problems failed to produce any concrete results.

Ota is scheduled to meet commanding officers of the Hawaii-based U.S. Pacific Fleet. In Washington he will hold talks with State Department and Pentagon officials as well as with members of the Senate and House of Representatives Armed Services Committees.

Some 75 percent of U.S. military facilities in Japan are concentrated in Okinawa, comprising a cluster of islands northeast of Taiwan. The ad calls for the return of the U.S. naval port in Naha, and the abolition of parachute training and live-ammunition exercises.

Okinawa was reunited with Japan on May 15, 1972 after a 27-year occupation, under the condition that U.S. Forces would be allowed to continue to use the bases there.

Further Reports Concerning DPRK Issues

PRC's Position Unchanged

OW1606064594 Tokyo NHK General Television Network in Japanese 0300 GMT 16 Jun 94

[Announcer-read report; from "NHK News" program]

[Text] Li Daoyu, Chinese ambassador to the United Nations, in a 15 June interview with NHK, declined to directly comment on the draft sanctions resolution that the United States has prepared to submit to the UN Security Council [UNSC], merely saying China's position remains unchanged. The PRC has maintained a cautious stance on imposing sanctions against the DPRK.

As a result, it is expected that for the time being, behind-the-scenes maneuverings—including possible revisions to the draft resolution—will continue among UNSC member nations, with attention focused on how China will react to the U.S. proposal.

Sanctions Would Cause 'Starvation'

OW1506134194 Tokyo KYODO in English 1320 GMT 15 Jun 94

[Text] Niigata, June 15 KYODO—International economic sanctions against North Korea would result in mass starvation in the country, a semiofficial research institute said Wednesday [15 June].

The Economic Research Institute for North-East Asia, partially financed by the Niigata prefectural and municipal governments, argued that many of the 23 million North Koreans will not be able to keep themselves alive if serious sanctions take effect.

Tension over the country's suspected nuclear arms development program heightened further Monday when North Korea declared it would immediately withdraw from the International Atomic Energy Agency (IAEA), the United Nations' nuclear safeguard watchdog.

The move drastically raised the prospect of early UN sanctions against Pyongyang, or U.S.-coordinated sanctions along with such countries as Japan and South Korea if there is no agreement within the UN Security Council.

The institute, headed by economist Hisao Kanamori, said many North Koreans are already living on the verge of hunger due to an extreme dearth of food supplies.

Based on released statistics, the institute said food supplies in the country, although on a steady decline, should still be enough to provide a daily average of 2,000 kilocalories per person, an amount sufficient for North Koreans to do everyday work.

But the figure is deplorable for the ordinary citizen because of the priority given in food supplies to government bureaucrats and military officials.

Also distorting the statistics is the fact that feed for animals is included.

The institute has estimated that an average citizen receives a meager 1,400 kilocalories of food every day, an amount that makes active labor quite hard.

"We have made an estimation on the living conditions of North Koreans for which little information is available.

We hope it will serve as material for discussions on sanctions," said Makoto Nobukuni, chief economist at the institute.

SDPJ Pushes U.S.-DPRK Talks

OW1606083394 Tokyo KYODO in English 0809 GMT 16 Jun 94

[Text] Tokyo, June 16 KYODO—The Social Democratic Party (SDP) [SDPJ—Social Democratic Party of Japan] will urge Japan, the United States and China to make efforts to reopen high-level talks between Washington and Pyongyang on North Korea's suspected nuclear arms development, a party official said Thursday [16 June].

Kazo Watanabe, director of the second largest opposition party's General Affairs Bureau, told a news conference at the Japan National Press Club that Japan and North Korea should also resume talks as early as possible to establish diplomatic relations. Officials of the (North) Korean Workers' Party have told SDP officials in Pyongyang they want to unconditionally restart normalization talks stalled since November 1992, Watanabe said.

An SDP delegation headed by Watanabe visited North Korea for six days up to Wednesday as part of efforts to promote ties with the North's ruling party. The SDP has traditionally maintained close relations with the Korean Workers' Party.

Watanabe also said the SDP will oppose the idea of slapping sanctions on North Korea as a means of ending Pyongyang's alleged quest for nuclear weapons.

Two legislators of the primary opposition Liberal Democratic Party are also visiting Pyongyang for talks on North Korea's nuclear program.

May Trade Surplus Down, Imports Up

OW1606084594 Tokyo KYODO in English 0814 GMT 16 Jun 94

[Text] Tokyo, June 16 KYODO—Japan's overall merchandise trade surplus fell back sharply in may after five straight gains with imports soaring both in value and volume on the yen's rise, the Finance Ministry said Thursday [16 June]. The politically sensitive surplus with the United States, however, continued to rise.

The overall customs-cleared trade surplus fell an unadjusted 15.9 percent to 6.54 billion dollars, scoring a double-digit fall for the first time since December 1991, the ministry said in a preliminary report. Imports rose 12.3 percent to 21.54 billion dollars, and exports gained 4.2 percent to 28.07 billion dollars.

A ministry official, briefing reporters, said import volume rose sharply on the yen's rise, citing the 16.1 point rise in the trade index for import volume.

Regarding the effect of the yen's rise on exports, he said the index for export volume fell 2.5 points to post the fourth straight decline, but the price index was at 7.0 points to inflate the export value.

In yen terms, the trade surplus fell 21.6 percent to mark the fourth consecutive decline, with exports falling 3.0 percent and imports rising 4.5 percent.

The dollar averaged 103.17 yen in the latest reporting month, down 7.4 percent from 110.85 yen the preceding year.

The official noted a special factor involving the "Golden Week" holidays in early May that were longer than in the previous year. Companies increased their exports in late April ahead of the holidays to prevent any gaps in covering foreign orders. But he said this alone would not lead to such sharp declines in the overall surplus.

Masaru Takagi, chief economist at Fuji Research Institute, cited a lot of information indicated in May. The May figures are insufficient to judge that the overall trade gap turned firmly lower due to holiday factors, he said. "But we must take note of the increases in import volume," Takagi said, adding that imports are increasing despite ongoing sluggish domestic demand, and that Japanese manufacturers are indeed facing tough price competition from cheaper imports in the unchanged market pie. Meanwhile, the surplus with the U.S. remained higher in reflecting lingering trade disputes, he said, adding that the dollar is unlikely to fall against the yen against this backdrop. Japan's trade surplus with the U.S. rose 7.5 percent from a year earlier to 3.04 billion dollars, the third consecutive monthly gain, the ministry said.

As for other major nations, the surplus with the European union fell 31.5 percent to 1.34 billion dollars for the fifth straight decline, and the surplus with other Asian nations edged 0.5 percent lower to 4.03 billion dollars after rising for 24 straight months.

Takagi traced the lower surplus with Asia to increased imports of cheaper products, led by clothing from China, that more than offset a relatively healthy increase in exports. In fact, imports of clothing posted a strong rise in May, gaining 26.9 percent from the previous year.

Among other major import gainers were office equipment, up 46.9 percent, and semiconductor and other electronics parts, up 39.2 percent. Imports for crude oil fell 14.8 percent although the import volume rose 4.6 percent, stemming from lower prices that averaged 15.39 dollars, down 18.5 percent from 18.88 dollars.

As for major export gainers, semiconductor and other electronics parts rose 30.2 percent, and engines and motors increased 21.9 percent. Exports for audiovisual equipment fell 22.3 percent, and those for automobiles dropped 11.7 percent.

Vice Finance Minister on Trade Surplus With U.S.

OW1606091794 Tokyo KYODO in English 0910 GMT 16 Jun 94

[Text] Tokyo, June 16 KYODO—Japan's trade surplus appears to be shrinking, but the still-rising gap with the United States is worrisome, Vice Finance Minister Jiro Saito said Thursday.

The merchandise trade figures for May released earlier in the day underscored "the rising imports and falling exports in terms of volume," Saito told a regular news meeting. "But I want to see if that becomes a fixed trend, and I'm worried about the unchanged (upward) trend with the U.S.," Saito said.

The May preliminary figures showed that Japan's surplus fell 15.9 percent from a year before to score the first fall in six months, but the gap with the U.S. continued to rise for the third month in a row, gaining 7.5 percent.

Diet To Pass Budget 22 Jun at 'Earliest'

OW1506055894 Tokyo KYODO in English 0532 GMT 15 Jun 94

[Text] Tokyo, June 15 KYODO—The Diet will pass the long- overdue state budget for fiscal 1994, which started April 1, next Wednesday [22 June] at the earliest, Diet sources said Wednesday.

A leading member of the House of Councillors Budget Committee, Masakuni Murakami of the opposition Liberal Democratic Party (LDP), proposed in talks with Juro Saito, head of LDP upper house members, Tuesday night that the upper house pass the budget next Wednesday "for the sake of the people," the sources said.

But Saito reportedly said he considered June 27 an "appropriate" date to pass the delayed budget.

According to the sources, LDP chief Yohei Kono, Secretary General Yoshiro Mori, Saito, Murakami and other members of the party's upper house executives will meet Thursday to decide their budget strategy.

On June 8 the House of Representatives approved the 73.08 trillion yen budget for fiscal 1994. The current Diet session ends June 29.

Hata Urged To Cut Budget 20 Trillion Yen by 2004

OW1406132594 Tokyo KYODO in English 1306 GMT 14 Jun 94

[Text] Tokyo, June 14 KYODO—A private think tank urged Prime Minister Tsutomu Hata on Tuesday [14 June] to slash government spending by 20 trillion yen and nearly halve the number of government employees by the year 2004 to make Japan a tax-free nation in 2005.

In a report submitted to Hata and prepared by its study group, the PHP Institute said the government should trim state expenditures in a step-by-step manner starting in 1995 to avoid raising taxes.

Among key proposals in the report:

The government should

—Privatize state universities immediately

—Abolish the food agency which tightly regulates rice production and distribution

—Ban special entities under the jurisdiction of government ministries which absorb retired ex-bureaucrats

—Reduce the number of seats in the House of Representatives to 250 from the current 511 and that in the House of Councillors to 50 from the current 252

—Reduce the number of national government employees by 45 percent or 520,000 over the next five years

—Integrate the current 21 government ministries and agencies and one office into six offices.

The institute also said the government could save a total of 111 trillion yen by the year 2004 if it set aside the money saved under fiscal and administrative reforms for a fund for welfare purposes. More than half of the fund should be used for raising welfare standards to achieve a welfare nation without any tax in the year 2005, it said.

The report is roughly in line with a persistent opinion expressed by the institute's founder, the late Konosuke Matsushita, founder of Matsushita Electric Industrial Co. Matsushita had said, "a high tax erodes the will to work. The nation should be run without any tax."

Hata Receives Petition on New Electoral System

OW1506054794 Tokyo KYODO in English 0359 GMT 15 Jun 94

[Text] Tokyo, June 15 KYODO—A senior Liberal Democratic Party (LDP) member presented Prime Minister Tsutomu Hata on Wednesday [15 June] with a petition calling for the next general election to be held under the new electoral system approved by the Diet earlier this year.

The petition was signed by LDP lawmaker Yuji Tsushima and 305 other House of Representatives legislators, or more than half of the 511 lower house members.

The new electoral system combining 300 single-seat constituencies and 200 proportional representation seats has yet to be implemented pending passage of a bill defining the electoral districts.

Hata told Tsushima and other petitioners that he fully agrees with the thrust of their petition, officials said.

He called on proponents of the new electoral system to work together in their respective capacities to see it realized.

Tsushima, deputy chairman of the LDP's Policy Affairs Research Council, paid calls later in the day on leaders of the Social Democratic Party, New Party Sakigake, the Democratic Socialist Party and Komeito, as well as lower house Speaker Takako Doi.

New Election System Supported by Majority of LH

OW1406131894 Tokyo KYODO in English 1242 GMT 14 Jun 94

[Text] Tokyo, June 14 KYODO—A majority of the 511 members of the Lower House [LH] have supported an interparty campaign calling for the next general election to be held under the new election system combining single-seat constituencies and proportional representation, organizers of the drive said Tuesday [14 June].

The organizers have collected signatures of 306 lower house legislators, including 42 ministers and parliamentary vice ministers who signed on condition that their names not be disclosed, they said.

The other 264 signers comprise 60 lawmakers from the Liberal Democratic Party (LDP), 34 from the Social Democratic Party (SDP) [SDPJ—Social Democratic Party of Japan], 49 from Shinseito, 42 from Komeito, 28 from the Japan New Party, 14 from the Democratic Socialist Party (DSP), 21 from New Party Sakigake, Group Seiun and Minshu No Kaze, five from the Liberal Party, five from the New Party Mirai, three from the former Kaikaku No Kai and three independents, they said.

The campaign was arranged to prevent the LDP and the SDP from proposing a no-confidence motion against Prime Minister Tsutomu Hata that could result in an early lower house general election held under the still-existing multiseat constituency system, they said.

The organizers will show Hata the results Wednesday and urge him not to dissolve the lower house, they said. They will also meet SDP Chairman Tomiichi Murayama and LDP President Yohei Kono to brief them on the outcome.

Yuji Tsushima, acting chairman of the LDP Policy Affairs Research Council, and other organizers representing other parties met reporters to release the results of the campaign.

The new electoral system, under which 300 out of a reduced 500 lower house seats would be elected from single-seat constituencies and the remaining 200 through a proportional representation system, was enacted in January, but it cannot take effect until boundaries of the 300 new single-seat constituencies are formally legislated.

Coalition, Opposition Agree on Electoral Reform Plan

OW1406141594 Tokyo KYODO in English 1359 GMT 14 Jun 94

[Text] Tokyo, June 14 KYODO—House of Councillors lawmakers from the ruling coalition and the opposition camp agreed Tuesday [14 June] on a wishy-washy plan for electoral reform in the upper house, skirting all drastic reform proposals.

Following a series of meetings by party representatives, it was agreed to increase the number of seats in four constituencies and cut those in four others to achieve more balanced representation. One seat will be added each to constituencies in Kanagawa, Saitama, Miyagi and Gifu Prefectures, while Hokkaido will lose two and Hyogo and Fukuoka one each.

The ruling and opposition parties excluding the Japan Communist Party plan to submit the reform bills in the current Diet session. Proposals to reduce the total number of seats by two from the current 252 and to introduce a vote-for-individual formula into the 100-seat proportional representation system were both scuttled.

Members of the 252-seat upper house are elected either in multiseat constituencies or in a 100-seat proportional representation system, in which votes are cast for parties, not individuals.

Because the parties failed to agree on any striking electoral reform, the upper house poll scheduled for summer will see little change from the current system. Diet passage of the proposed changes, however, is far from secured, with the end of the current session on June 29 approaching, political sources said.

Takemura Predicts No Extension for Diet Session

OW1506064894 Tokyo KYODO in English 0637 GMT 15 Jun 94

[Text] Tokyo, June 15 KYODO—The current regular Diet session will wind up without an extension on June 29 and a new electoral map for the House of Representatives will be discussed in the next session, a key political leader predicted Wednesday [15 June].

"I do not think there will be an extension of the Diet term," Masayoshi Takemura, the leader of New Party Sakigake [Shinto Sakigake], told a luncheon at the Japan National Press Club.

Although the government must have wanted to submit an as-yet-unformulated bill that redraws the electoral map for the lower house and to extend the 150-day Diet session, it runs short of time, he said.

"Therefore, there will be no need to extend the Diet term for debate on key issues," said Takemura, the chief cabinet secretary in the last government of Prime Minister Morihiro Hosokawa.

The 15-member Sakigake left the governing coalition in April due to differences over major policies and political approach with other coalition partners.

The administration of Prime Minister Tsutomu Hata, Japan's first minority government since 1955, once appeared ready to extend the current Diet session and act upon the redistricting legislation in a move to avoid a possible no-confidence motion from the opposition camp.

The main opposition Liberal Democratic Party has made it clear it plans to bring down the Hata government in a no-confidence vote. The Social Democratic Party, the second-largest opposition force, has also threatened to submit the motion by itself.

Diet Panel To Summon Former Premier Hosokawa

OW1606110894 Tokyo KYODO in English 1053 GMT 16 Jun 94

[Text] Tokyo, June 16 KYODO—The House of Representatives Budget Committee decided Thursday [16 June] to summon former Prime Minister Morihiro Hosokawa on June 21 to testify about his questionable personal finances, which drove him out of office in April.

Overriding the ruling coalition's objections, Budget Committee Chairman Tsuruo Yamaguchi declared that his panel would summon the 56-year-old Hosokawa. As soon as Yamaguchi made the announcement, several lower house members openly protested while opposition party legislators, including those of the Liberal Democratic Party (LDP), applauded. Members of both the LDP and the Social Democratic Party (SDP) [SDPJ—Social Democratic Party of Japan] are trying to use Hosokawa's plight to their advantage and force Prime Minister Tsutomu Hata's minority government to step down. Budget panel chairman Yamaguchi is an SDP member.

The budget panel made the announcement a day after Hosokawa's former financial secretary appeared before the panel to say Hosokawa had indeed paid back a 100 million yen loan borrowed in 1982 from scandal-tainted Sagawa Kyubin trucking firm. The secretary, Masatoshi Miyama, testified under oath at the committee about the former premier's questionable financial deals, which led to Hosokawa's resignation in April. Miyama denied allegations that Hosokawa may not have paid back the 100 million yen loan and that it was received as a secret political donation.

Hosokawa Reportedly Paid Back Sagawa Loan

OW1506084894 Tokyo KYODO in English 0828 GMT 15 Jun 94

[Text] Tokyo, June 15 KYODO—Former Prime Minister Morihiro Hosokawa has paid back a 100 million yen loan borrowed in 1982 from scandal-tainted Sagawa Kyubin trucking firm, Hosokawa's former financial secretary said Wednesday [15 June].

Masatoshi Miyama testified under oath at the House of Representatives Budget Committee about the former premier's alleged shady financial deals, which partly led Hosokawa to announce April 8 his intention to resign.

Miyama strongly denied allegations that Hosokawa may not have paid back the 100 million yen loan and that it was received as a secret political donation, adding he can "swear by heaven and earth."

The former secretary carried 20 million yen in cash to Sagawa Kyubin in fiscal 1983 and handed over 10 million yen annually from fiscal 1984 until the loan was paid back in full, he said.

Miyama, however, said Hosokawa did not pay back the interest on the 100 million yen loan.

Tokyo Sagawa Kyubin Co., which was later merged into Sagawa Kyubin Co., proposed to Miyama in February or March 1983 that the trucking group would pay the interest as a political donation for Hosokawa, and he accepted the proposal, Miyama said.

In his resignation announcement, Hosokawa said he discovered that loan interest was received by his office as a political contribution for him under an accord with Sagawa Kyubin.

About Hosokawa's alleged purchase of 300 shares in telecommunications giant Nippon Telegraph and Telephone Corp. (NTT), Miyama supported Hosokawa's previous explanations that the 1986 transaction was carried out by the former premier's late father-in-law, not by Hosokawa himself.

Miyama, however, said he did not tell Hosokawa's former financial consultant Shozo Fujiki that the stock transaction would be made by Hosokawa's father-in-law.

Shortly before Hosokawa's announcement to step down, Fujiki told a news conference that he had thought it was Hosokawa's transaction when he helped the deal.

"Now I feel it was insincere," said Miyama, suggesting he acted as Hosokawa's secretary when he arranged the transaction.

Fujiki also said during the news conference that Miyama asked a financial company if Hosokawa can borrow money for the NTT share purchase under a different person's name. Hosokawa was Kumamoto governor at that time.

Miyama denied the allegation, saying, "such a thing is not in my memory at all."

Miyama also said Hosokawa has not declared to tax authorities some 57 million yen in profit made through investments via former magazine publisher Yusei Kuwahata.

Miyama said most of the profits were used for Hosokawa's political activities.

Hosokawa said in his April 8 announcement he used his personal funds for dealings via an "old friend" from 1981 and obtained profits in a way he said could have violated the law.

After the Diet testimony by his former aide, Hosokawa emphatically said he now has a good reason to reject any call by the opposition that he testify himself, and his remarks were echoed by top officials of the ruling coalition.

The testimony clearly demonstrates that the corruption charges against Hosokawa are groundless, said Masuo Matsuoka of Japan New Party, which is headed by Hosokawa.

"That settled the whole issue," said Kozo Watanabe of Shinseito, another coalition party.

The two main opposition parties, the Social Democratic Party (SDP) and the Liberal Democratic Party (LDP), however, have no intention of stopping hounding the former prime minister.

They are poised to make a renewed demand for Hosokawa to testify, hoping to set the stage for submission of a motion of no confidence in the cabinet of Prime Minister Tsutomu Hata.

But the ruling coalition will dismiss such a call, coalition executives said.

"There is nothing left that requires further clarification from Hosokawa," one Shinseito kingpin said.

The testimony by Miyama has relieved the shaky coalition of concerns about possible political repercussions from the issue, insiders said.

The lingering broadside against Hosokawa's past financial impropriety "will have no impact on the political situation," said Shinseito's Watanabe.

Some coalition officials also took a swipe at the SDP's move to join forces with the LDP in demanding Hosokawa's testimony.

"That kind of action will make our alliance talks with the SDP impossible," one coalition executive said.

SDP, DSP Agree To Start Talks for New Coalition

OW1606063994 Tokyo KYODO in English 0633 GMT 16 Jun 94

[Text] Tokyo, June 16 KYODO—The heads of the Social Democratic Party (SDP) and Democratic Socialist Party (DSP) agreed Thursday [16 June] to start consultations to pave the way for the country's No. 2 opposition party SDP to return to the ruling coalition, party officials said.

The two leaders also agreed to set up a policy forum, the officials said.

SDP Chairman Tomiichi Murayama and DSP Chairman Takashi Yonezawa attended the meeting arranged by the nation's largest labor organization, the Japanese Trade Union Confederation (Rengo), which provides the main base of support for the two parties. The DSP is a junior party in the coalition.

SDP Secretary General Wataru Kubo and DSP Secretary General Kansei Nakano also attended the session. Rengo President Akira Yamagishi represented the 8 million strong labor group at the meeting.

Murayama told the meeting his party will continue to carry out reform policies formulated during the administration of former Prime Minister Morihiro Hosokawa, of which the SDP was a member party.

Yonezawa was quoted as saying he hopes for exchanges of opinion between the two parties so that they can deepen their understanding and realign the coalition framework.

Yamagishi said divisions between the two parties are having a detrimental effect on Rengo.

Yamagishi urged them to rebuild the coalition framework of the Hosokawa administration, which preceded the present government of prime minister Tsutomu Hata.

The SDP, the largest force in the Hosokawa government, withdrew from the coalition in late April after the abrupt formation of a parliamentary bloc excluding the party, forcing Hata to form the first minority government in nearly four decades.

Lower House Approves Product Liability Bill

OW1606103494 Tokyo KYODO in English 1006 GMT 16 Jun 94

[Text] Tokyo, June 16 KYODO—The House of Representatives on Thursday [16 June] approved a bill to introduce product liability for the first time in Japan and sent it to the House of Councillors.

The upper house is expected to endorse the bill as early as next week, setting the stage for the enforcement of the legislation one year later. The new law, the first of its kind in Japan, will make it easier for consumers to prove manufacturer liability for damage stemming from defective products.

The legislation had met strong opposition from some lawmakers within the Liberal Democratic Party, the largest opposition party, who had demanded that blood products be exempted. The Japan Society of Blood Transfusion had joined the LDP in demanding an exemption of blood for transfusion, saying that the bill could hurt the blood supply. The opposition did not lead any change in the draft bill, but forced the government to attach seven resolutions making it clear that an unavoidable spread of viruses through blood transfusion at the current scientific standards and blood transfusion reactions do not constitute defects.

Expected Tax Proposals Highlighted

OW1406133994 Tokyo KYODO in English 1322 GMT 14 Jun 94

[Text] Tokyo, June 14 KYODO—Following are highlights of proposals that members of the tax commission Tuesday indicated will be included in a report due out next week.

—Implementing multiyear income and other tax cuts, totaling 6.2 trillion yen a year.

—Hiking the consumption tax, without specific figures but hinting at a raise to at least 7 percent from the current 3 percent.

—The consumption tax hike will be implemented on April 1, 1997, following tax cuts in the previous three years.

—Reviewing the current income and consumption tax system, especially to revamp the ratio of direct and indirect taxes for more fairness.

—Securing net revenue surplus from the tax cut and hike and to spare funds for the aged society in the 21st century.

—Redeeming in 10 to 20 years the 13 trillion yen deficit-covering bonds to be issued to finance 5.5 trillion yen income tax cuts in the current year.

—Avoiding further issuance of deficit-covering bonds.

—Government leadership in fiscal and administrative reforms to win public support for the tax reform asking heavier burdens on taxpayers.

—Drafting tax reform bills by the end of June and enacting them into law by the year-end as promised globally in the March market-opening package.

—Opposing a regional consumption tax, and discussing further the issue of tax revenue sources by the local governments.

Panel Urges Reforms To Revitalize Economy

OW1606073194 Tokyo KYODO in English 0717 GMT 16 Jun 94

[Text] Tokyo, June 16 KYODO—A Japanese Government panel called Thursday [16 June] for "urgently" implementing a set of economic restructuring measures to revitalize Japan's economy toward the next century. "The Japanese economy now stands at the crossroads," the Industrial Structure Council said in a report, citing such problems as the rapid aging of the population, the lingering current account imbalance and the "excessive" strength of the yen.

The report urged the government to formulate a reform program by effectively combining three types of steps—macroeconomic restructuring measures like social infrastructure improvement, microeconomic reforms such as deregulation and narrowing of the price gap between Japan and other countries, and overhauling the industrial structure for new business creation.

The advisory body to the minister of international trade and industry said the government's failure to carry out these measures would deprive the Japanese economy of "industrial vitality" toward the next century, promote "industrial hollowing" and eventually degrade the overall life standard of the Japanese people. "The report is not merely a collection of recommendations that simply depict a vision of Japan's future economy," a ministry official said. "But it reflects a strong sense of crisis among council members about the future course of the Japanese economy," the official said.

The council cited 12 industrial sectors as having growth potential toward the 21st century. They are housing-related services, medical and welfare services, culture, urban development, environmental improvement, energy, distribution, new manufacturing technology, labor services, business support, information and communications, and cultural services involved in Japan's internationalization.

The proposed reform steps would help create a substantial amount of new business opportunities in Japan, with the market size of such business growing to 210 trillion yen in 2000 from the current 130 trillion yen in the 12 sectors combined. The council also said the reforms would produce 2.5 million new jobs by 2000.

If large-scale industrial restructuring is carried out, the Japanese economy could achieve an annual growth rate of more than 3 percent by the turn of the century, the report said. It also said Japan's manpower structure would undergo big changes under the proposed economic reform.

The proportion of workers in services and livelihood-related sectors would increase while those in distribution and transportation would drop, for example, the report said. Without the proposed reforms, Japan's economic growth would slow to an annual average of 1.6 percent during 1992-2000 and an average 1.2 percent during 2000-2010, the report said. The council said Japan should propose industrial policy coordination among developed countries as a way to spur new business creation, a step that may present solutions for global unemployment.

The issue of trade and labor standards should be addressed in a manner that would enable free trade to be pursued in developing countries while upgrading labor conditions there, the report said.

Panel Advocates New National Development Plan

OW1606050394 Tokyo KYODO in English 0447 GMT 16 Jun 94

[Text] Tokyo, June 16 KYODO—A government panel advocated a new national development plan Thursday [16 June] designed to enhance exchanges among regions and make local communities more open to the world.

The National Land Development Council's study group also called for concrete steps to transfer functions as the nation's capital from Tokyo, which it says should become a real cosmopolis.

The recommendations are included in the group's review on the Fourth Comprehensive National Development Plan, the nation's basic development blueprint compiled in 1987.

The council endorsed the group's final report Thursday, which will serve as the policy outline for the next comprehensive plan. The National Land Agency plans to start working on the new plan this autumn.

The report points to drastic socioeconomic changes since the 1987 blueprint, such as a declining birth rate and the prolonged recession following the burst of speculation bubbles in the late 1980s.

To adjust the national development policy to the changing circumstances, the government should fashion a completely new plan aimed more at activating exchanges and alliances among local communities, it argues.

Among recommendations, it advocates formulating "regional cooperation axes" under which regions build up multi-layer exchanges in cultural, industrial and social fields.

The report also urges fostering "small cosmopolis" or local communities that maintain direct overseas exchanges in specific fields.

It notes the importance of creating a high-technology service industry based on high-power telecommunications networks and of more active involvement in environmental issues.

All these steps should focus on transforming the national development policy from a hardware-oriented to software-oriented one, it says.

The agency plans to hold dialogues with people nationwide from July to September in an effort to seek their understanding on the policy shift.

Toyota's Domestic Output To Surpass Previous Year

OW1506123194 Tokyo KYODO in English 1138 GMT 15 Jun 94

[Text] Nagoya, June 15 KYODO—Japan's top automaker Toyota Motor Corp. said Wednesday [15 June] its automobile production in June is likely to mark the first year-on-year rise in 13 months, fueled by brisk demand for the newly introduced, low-priced RAV4 recreational vehicle.

The company said June production is expected to top the previous year's level of 313,000 units, the first year-on-year rise since may last year.

"There is a strong possibility that domestic automobile sales will begin to pick up in the latter half of this year, spurred by the marketing of new models," said Iwao Isomura, vice president of the company.

The company said orders for the RAV4 model totaled 17,000 in the first month after it was marketed, far surpassing the monthly sales target of 2,000 units.

It said it plans to introduce restyled versions of medium-sized cars "Vista" and "Camry" in July at prices comparable to their old models.

Isomura expressed hope that Toyota's car sales will expand in July, enabling the company to attain its sales goal of 2.16 million units this year.

Double Disk Capacity Laser Diode Developed

OW1406062694 Tokyo KYODO in English 0555 GMT 14 Jun 94

[Text] Tokyo, June 14 KYODO—Toshiba Corp. said Tuesday [14 Jun] it will begin global marketing of a new red-light semiconductor laser diode that significantly increases the storage capacity of optical disk systems.

The TOLD9151mb operates at a wavelength of 685 nanometers, compared with the 780 nanometers currently used in optical disk systems, Toshiba said. A nanometer is one-billionth of a meter.

The smaller spot size allows almost double the volume of information to be stored on the same size disk, it said.

Mass production of the device, at some 60,000 units per month, will begin at the end of the year. Toshiba has begun shipping samples of the laser diode at a price of 15,000 yen per unit.

Mongolia

Democratic Rebirth Party Holds First Meeting

LD0606135894 Moscow ITAR-TASS World Service in Russian 0749 gmt 6 Jun 94

[By ITAR-TASS correspondent Kim Boldokhonov]

[Text] Ulaanbaatar, 6 Jun—The aim of the newly created Mongolian Democratic Rebirth Party is the renewal of the country on the basis of democratic principles and taking into account the specific conditions and tasks of our society at the present stage, as well as the principles of human civilization as a whole. Dashiyn Byambasuren said this today in an interview with an ITAR-TASS correspondent. He opened the founding forum of this new political force today with brief introductory remarks. The former head of the first multiparty coalition government in Mongolia's history set up an organizing committee with a group of like-minded people, which submitted a report "On the sociopolitical situation in the country and the tasks of the party" and the draft rules and program of the Mongolian Democratic Rebirth Party for debate by delegates.

We favor a state with strong democratic power, a society of civic accord and genuine market relations in the economy. Our party regards strong presidential power and a small, highly professional parliament to be most acceptable for Mongolian conditions, D. Byambasuren noted.

On the matter of collaboration with other political forces, D. Byambasuren said: "We favor close cooperation with all parties if our views are common or similar. The Mongolian Democratic Rebirth Party favors the formation of a general democratic front."

Moscow ITAR-TASS World Service in Russian at 1117 GMT on 6 June notes the following:

"Congress delegates adopted the party's rules and program and elected its ruling bodies. Dashiyn Byambasuren becomes chairman of the party, and the publicist Luvsangiyn Purevdorj its general secretary. With this the congress concluded its work."

Central Bank To Issue New Notes, Coins

BK1006030094 Ulaanbaatar MONTSAME in English 1220 GMT 9 Jun 94

[Text] Ulaanbaatar, June 9 (OANA-MONTSAME)—At the closed sitting of the Mongolian parliament the legislators have discussed and approved the proposal of the Mongolbank on issuing new 5 and 10 thousand bank notes as well as new coins of 20, 50, 100 and 200 tugrug of value. The central bank is substantiating the necessity for such a step by the growing rates in the prices, wage, pensions and allowances. The coins supposed to issue are to be serving as a means of fare payment in the public transport or applying in slot-machines for rendering small services.

Firm To Fly New Routes to Singapore, Kazakhstan

BK1206121294 Ulaanbaatar MONTSAME in English 1027 GMT 11 Jun 94

[Text] Ulaanbaatar, June 11 (OANA-MONTSAME)—The Mongolian civil aviation "Miat" company has set new air route flights to Kazakhstan and Singapore.

The air flights on the route to Almaty from Ulaanbaatar with a stop-off in the Bayanulgii in the western part of the country where are residing mainly Mongolian Kazakhs, are to be functioning every Thursday.

What about Singapore, the Miat is to perform charter flights in accordance with the agreement concluded between the Mongolian State Tourist "Juulchin" company and Singapore's tourist "Universal Travellers" company.

MONTSAME Carries Press Review for 15 Jun

BK1606020994 Ulaanbaatar MONTSAME in English 1136 GMT 15 Jun 94

[Text] Ulaanbaatar, June 15 (OANA-MONTSAME) The central official newspaper "ARDIYN ERH" publishes the greetings by the Mongolian leadership addressing the authorities of Russia on the occasion of the day of approving the declaration of state independence of the Russian Federation.

The central official newspaper informs of the sitting of the spring session of the Great State Hural of Mongolia which is keeping on discussing the draft law on pensions and benefits referring to the militarymen and the meeting of the Prime Minister P. Jasray with the officers of the Central Customs Board.

The newspaper also publishes the full text of the Law on State Symbolics having been approved by the highest legislative body of the country, the related bill of the Great State Hural provided for some measures to be carried out designated to ensure the enforcement of the law.

The newspaper carries an interview with the chief judge of the Supreme Court of Mongolia D. Dembereltseren [name as received]. In his interview D. Dembereltseren is dwelling upon the carrying out a renewal of the judicial bodies of Mongolia. As was pointed out the work on establishing a new judicial system in Mongolia has been starting since having been into force of the Law on Court, that is starting the March month of the 1993.

The governmental newspaper "DZASGIYN GADZRYN MEUEE" devotes its editorial to the issues relating to the call-up of the youths for active military service. For today throughout the country the spring call-up for a one-year compulsory active military service is being carried out.

Under the heading "World News" the newspaper carries some information about the latest events and developments referring to international scene and reference materials on so called "Big Seven".

The newspaper informs of the regular sitting of the government by P. Jasray discussed a package of issues concerning the socio-economic life of the country, namely the members of the Cabinet have drawn special attention to the progress of the implementation of the two governmental projects including the "sugar" one and the "vegetable oil".

The newspaper publishes the text of the statement of a spokesman of the Ministry of External Relations of Mongolia in connection with the nuclear test having been carried out recently by China in the area of the Lobnor in the Xingjiang Uighur Autonomous Region, the recommendations by the national conference held recently on the population and development issues, the governmental decision on the programme of working out the auditing counting to be carried on by means of computer facilities.

The newspaper provides its readers with possibility to get acquainted with the heads of administration of a number of aymags of the country. In their interview they told about the issues of concern for those aymags and solving of their socio-economic matters and the difficulties to be being overcomed in the process of transition of the country to a market economy.

The newspaper also publishes on its pages advertising materials dedicated to the Bugat Somon in the Bulgan Aymag and Buutsagaan Somon in the Bayanhongor Aymag which are to celebrate their 70th anniversaries.

The army newspaper "TUSGAAR TOGTNOL" informs of the first graduates of the school for training sergeants-majors under the Higher Military School of Mongolia—60 youths graduated in five specialisations.

The newspaper carries large materials on the issues of raising discipline and responsibility in military units and divisions.

The capital newspaper "ULAANBAATAR" publishes an article by its correspondent Ya. Sumiya [name as received] visiting recently Turkey in the composition of a group of Mongolian journalists.

The newspaper attaches much importance to the cause of observing the laws in force on combating alcoholism and smoking and carries some information about the life and day-to-day activities of the Mongolian capital

North Korea

Withdrawal From NPT Depends on 'Developments'

SK1606045894 Pyongyang KCNA in English 0446 GMT 16 Jun 94

[Text] Pyongyang, June 16 (KCNA)—As already reported, the Foreign Ministry of the Democratic People's Republic of Korea in a statement of its spokesman declared that the DPRK would immediately withdraw from the International Atomic Energy Agency [IAEA] in answer to the grave encroachment upon the dignity and sovereignty of the DPRK by the Secretariat of the agency.

In this regard, NODONG SINMUN today says the DPRK's withdrawal from the IAEA is a legitimate self-defensive measure to defend its sovereignty and existence as a dignified independent, sovereign state.

The responsibility for its withdrawal from the IAEA rests entirely with the agency, the analyst says, and goes on:

We joined the agency in September 1974, believing its impartiality and hoping that its assistance would be conducive to our peaceful nuclear activities.

After we signed the Nuclear Non-Proliferation Treaty [NPT] in December 1985 and concluded the safeguards agreement in January 1992, however, the Secretariat of the agency has zealously joined the United States in its moves to isolate and stifle the DPRK, contrary to its mission and function, and some officials of the Secretariat intentionally created "inconsistency" and adopted a resolution demanding "a special inspection" of our military sites which have nothing to do with nuclear activities.

Such unjustifiable acts of theirs resulted in forcing the DPRK to declare its withdrawal from the NPT.

It was for the removal of the U.S. nuclear threat and the denuclearization of the Korean peninsula that we joined the NPT. The Secretariat of the agency, however, encroached upon the supreme interests of our state and cried to stifle the DPRK, abusing the NPT. Under this condition, we could no longer hope for its help. Later, we temporarily suspended the effectuation of our declared withdrawal from the NPT in June 1993 on condition that the DPRK-U.S. talks for a peaceful solution to the nuclear issue would continue on an equal and fair basis.

Even in a unique status following the temporary suspension of our withdrawal from the NPT, we had honestly accepted inspections for the continuity of safeguards and allowed even "an additional inspection." But the United States and some pro-U.S. officials of the Secretariat had used inspections as a leverage for infringing on our sovereignty and stifling the DPRK, refusing to recognize its special status and intentionally laying obstacles to the DPRK-U.S. talks.

The agency's anti-DPRK moves reached the extent where it adopted an unreasonable "resolution" on the discontinuation of "its assistance" to the DPRK at the meeting of the governors' board on June 10, demanding the opening of our military sites to public under the pretext of the nuclear issue.

Such being the situation, we did not feel the need to have dealings with the agency any more and reached the conclusion that we could no longer hope for its help.

Now that we declared the withdrawal from the agency, we will not bound in the legal point of view to the "resolutions" or steps which the governors' board has adopted and taken or will adopt and take in the future, and we are not obliged to implement them. Now the agency is not in a position to dictate to us.

The freedom of choice is not a monopoly of the United States and the Secretariat of the agency.

Whether our special status following the temporary suspension of the withdrawal from the NPT is removed or we completely withdraw from it, fully depends on the future developments.

If the United States and its allies resort to a strong arm to stifle the DPRK, ignoring its special status and abusing the NPT, we cannot but make another choice.

U.S. 'Military Pressure', 'Scheming' Rejected

SK1606102494 Pyongyang KCNA in English 1007 GMT 16 Jun 94

["Military Pressure Cannot Be Justified"—KCNA headline]

[Text] Pyongyang, June 16 (KCNA)—The United States is massing huge aggression forces around the Korean peninsula, scheming to impose "sanctions" upon the DPRK. Commenting on this, NODONG SINMUN in a by-lined article today says:

This eloquently proves that it does not want to truly solve the nuclear issue on the Korean peninsula, but is trying to stifle the DPRK militarily on the pretext of the "nuclear development".

It is entirely wrong for the U.S. to put military pressure on the DPRK over the "nuclear issue".

The nuclear issue on the Korean peninsula cropped up when the U.S. deployed nuclear weapons in South Korea and resorted to nuclear threat against the North. The United States has turned South Korea into the largest nuclear base in the Far East, targeting its Asian strategy against the Korean peninsula. Owing to the nuclear war moves of the United States, South Korea has turned into a most dangerous hotbed of a nuclear war in the world and the Korean people have to live under a constant nuclear threat of the U.S. thus the United States gave rise to the nuclear issue on the Korean peninsula and is gravely threatening the DPRK with nuclear weapons. Yet it is increasing military pressure on the DPRK over its "nuclear development". This is a shameless act which reminds us of a guilty party filing the suit first.

The DPRK's nuclear activities, in view of their peaceful nature, cannot be a pretext of pressure. Its nuclear activities are designed to solve the problem of energy badly needed for economic construction and the DPRK's atomic energy facilities strictly serve this purpose. There is nothing else in its nuclear activities. Nevertheless, the U.S. is putting military pressure on the DPRK on groundless charges. This tells that the United States has not yet given up the scheme to stifle Korean socialism with strength.

In view of the sincere efforts made by the DPRK till now for a solution to the nuclear issue on the Korean peninsula, the U.S. military pressure cannot be justified.

For a peaceful and fair solution to the nuclear issue on the Korean peninsula, we have consistently called for dialogue and negotiation and made a signal overture for a package solution to the issue.

If the United States had come out to the third-round DPRK-U.S. talks and the nuclear issue had been solved in a package deal, the state would not have developed as now.

The DPRK's reactor core refueling cannot be a pretext of military pressure.

We urged the International Atomic Energy Agency five times to take measures needed for core refueling and notified the U.S. side that, if a package solution were achieved and the unique status of the DPRK removed, though belatedly, we could allow all the routine and ad hoc inspections including the selected preservation of fuel rods even in the course of core refueling.

Facts show that the failure to resolve the nuclear issue on the Korean peninsula is wholly attributable to the United States and some dishonest quarters of the IAEA secretariat.

The criminal attempt to stifle the DPRK under the pretext of the nuclear issue on the Korean peninsula while blocking its solution can never be tolerated.

The Korean people who regard independence as their life and soul would decisively react, if the United States ventured a military provocation against the DPRK over the nuclear issue.

Former U.S. President Carter's Visit Reported

Attends Reception With Entourage

SK1606011194 Pyongyang Korean Central Broadcasting Network in Korean 2205 GMT 15 Jun 94

[Text] Vice Premier and Foreign Minister Kim Yong-nam arranged a reception for former U.S. President Jimmy Carter and his entourage on a visit to our country at the Moknan House last night. Vice Foreign Minister Song Ho-kyong and others officials concerned attended the reception.

Foreign Minister Kim Yong-nam delivered a speech at the reception. He said he would like to believe that Mr. Carter's unusual current visit to our country would mark a good sign in gradually turning the distrust and hostility lasting between the two countries into relations of friendship, amity, and mutual respect [chimi kato sonsaengui pomsangchi anun ibon urinara pangmuni tunara saie chisoktoegoinnun pulsingwa choktaegamul sollingwa uho hosang chonjunguro chomcha pakkuo nagalsu innun choun chingjorago mitkkosiptta].

He said that it is the current trend of international relations to advance toward reconciliation, friendship, and cooperation after the Cold War ended, and that it is also the common desire of the peoples of the two countries to establish normal relations [chongsangjogin kwangyerul maennun kosun] between the DPRK and the United States by ending [chongsan] hostile relations between them.

He said: If the United States respects our country's sovereignty and treats it as an equal partner by discarding the concept of confrontation with us, the pending issues between the DPRK and the United States, including the nuclear issue, will be resolved satisfactorily and the two countries can live on good terms with each other. He believes that this will immediately contribute to peace in Asia and the rest of the world.

He said that Jimmy Carter, crossing through Panmunjom, would have directly witnessed the tragic division of the Korean peninsula, as well as felt the pain of the Korean people—the same nation with the same blood, who has suffered for nearly 50 years because of its artificial division on the single territory and added: Our people ardently desire reunification and hope for a true peace.

Also, he said: I believe that you will be able to deliver our people's resolute desire for peace and our Republic's peace-loving position to the people of the United States and to the social circles throughout the world the way they really are [kunun ttohan tangsinduri uriinminui kyongyolhan tongil yolmanggwa uri konghwagukui pyonghwa aehojokin ipchangul migugindulka segye sahoegyee sasil kutaero chondal harirago minnundago malhaessupnida].

He said: I think that Jimmy Carter's visit, made at his own initiative, and that of his entourage would lead to a thaw in the frozen relations between the two countries and to creating a peaceful environment. He stated: I hope that I can meet various U.S. politicians, including Mr. Carter, to openheartedly exchange views in the future as well.

Then, Jimmy Carter delivered a speech. He said that he is very pleased to come to the DPRK after anticipating it for three years. He said: The time has come to establish overall relations, including full friendship, understanding, trade, and exchange of visits, between the two countries. [tunaraga wanjonhan chinsongwa ihae muyok insa kyoryurul pirotan chonmyonjogin kwangyerul surip halttaega toettago hamyonso] The United States is ready to render its due cooperation to the DPRK to achieve this goal [i mokchogul sirhyonhame issoso ungdang chosonminjujuui inmin konghwagukkwa hyopchohal chunbiga toeo ittago malhaessumnida].

He pointed out that it is the nuclear issue that has created a big misunderstanding between North Korea and the United States at present, and that if the nuclear issue is resolved clearly and the misunderstanding is removed, progress can be made in solving other problems.

He pointed out that he could not but feel sadness when he saw the division of Korea, crossing over the Demilitarized Zone today, and that the U.S. leaders believe that Korea should be reunified peacefully without fail, [migugui chodojadurun chosoni pandusi pyonghwajoguro tongil toeoya handago mitkko issumyo] and that he also believes that it can be done.

He said: Despite the differences in opinions between the two countries, those problems can be easily solved when the two countries make efforts together to achieve their common goals. These problems can be solved by direct talks between the two countries and their mutual understanding can be promoted as well [iwagwaun munjewa kwanryonhayo chijop hoedamul tonghayo hosangihaerul chungjin sikil su iddago malhaetta].

Participants in the reception proposed a toast for the friendship, peace of the people of the two countries, for the long life and good health of the great leader Comrade Kim Il-song and of the dear leader Comrade Kim Chong-il and for the good health of Mr. Jimmy Carter.

Pyongyang artists performed at the reception.

Meets With Kim Il-song

SK1606084994 Pyongyang Korean Central Broadcasting Network in Korean 0800 GMT 16 Jun 94

[Text] The great leader Comrade Kim Il-song received Former U.S. President Jimmy Carter. The great leader DPRK President Comrade Kim Il-song today received Former U.S. President Jimmy Carter and his entourage who are visiting our country.

Kim Yong-nam, vice premier and foreign minister, and Kang Sok-chu, first vice foreign minister, were present.

The great leader Comrade Kim Il-song welcomed Jimmy Carter to our country and conversed with him in a warm atmosphere.

The great leader Comrade Kim Il-song and his wife arranged a luncheon for Jimmy Carter and his entourage today. Vice Premier and Foreign Minister Kim Yong-nam and his wife, Secretary of the Party Central Committee Hwang Chang-yop and his wife, Secretary Kim Yong-sun and his wife, and First Vice Foreign Minister Kang Sok-chu joined the luncheon. The luncheon was held in a warm atmosphere.

Delivers Gift for Kim Il-song

SK1606112394 Pyongyang KCNA in English 1100 GMT 16 Jun 94

[Text] Pyongyang, June 16 (KCNA)—The great leader Comrade Kim Il-song, president of the Democratic People's Republic of Korea, was presented with a gift by Former U.S. President Jimmy Carter and his wife on a visit to the DPRK.

The gift was handed to an official concerned today.

Delivers Gift for Kim Chong-il

SK1606112494 Pyongyang KCNA in English 1101 GMT 16 Jun 94

[Text] Pyongyang, June 16 (KCNA)—The dear leader Comrade Kim Chong-il was presented with a gift by former U.S. President Jimmy Carter and his wife on a visit to the DPRK.

The gift was handed to an official concerned today.

Meets With Vice Foreign Minister

SK1606111394 Pyongyang KCNA in English 1059 GMT 16 Jun 94

[Text] Pyongyang, June 16 (KCNA)—Views were exchanged between Kang Sok-chu, first vice-minister of foreign affairs, and Jimmy Carter, former U.S. President, at the People's Palace of Culture here today.

Present there were Choe U-chin, vice-minister of foreign affairs, and other officials concerned and Carter's entourage.

They compared notes on a series of matters of common concern including the nuclear issue.

Foreigners Denounce U.S. 'Pressure Campaign'

SK1406215894 Pyongyang KCNA in English 1505 GMT 14 Jun 94

[Text] Pyongyang, June 14 (KCNA)—Foreigners denounced the pressure campaign of the United States and its followers against the Democratic People's Republic of Korea.

Alhaji A.B. Ziblim, general secretary of the National Convention Party of Ghana, in a statement June 7 expressed deep apprehensions over the pressure campaign of the United States and some other countries, saying the "presidential statement" published by the UN Security Council recently cannot be construed otherwise than part of the sinister political plot to destroy socialist Korea.

He contended that the Secretariat of the International Atomic Energy Agency (IAEA) and the UN Security Council should abide by the principles of justice and impartiality, instead of complying with the unreasonable demand of the United States.

E. Balanandan, Politburo member of the C.C. [Central Committee], Communist Party of India (Marxist), in his statement June 5 referred to the U.S. act of inveigling even the UN Security Council and the IAEA in its campaign against the DPRK, ignoring the unique status of the DPRK after it temporarily suspended the effectuation of its declared withdrawal from the Nuclear Non-Proliferation Treaty. He demanded that the United Nations renounce the double-standard policy and approach the nuclear issue of the Korean peninsula on the principles of respect for sovereignty and impartiality.

E.K. Ganguli, director of the Asia-Pacific regional office of the World Federation of Trade Unions, in an interview with the KCNA correspondent in India June 5, denounced the anti-DPRK campaign of the United States and its followers and strongly urged that the nuclear issue on the Korean peninsula should be solved fairly through talks between the DPRK and the United States.

D.P. Maheshwari, chairman of the Indian Federation for World Cooperation and Cultural Relations, in an interview with the KCNA correspondent in New Delhi June 6 condemned as dastardly the acts of the United States in refusing to come out to third-round talks with the DPRK, kicking up a clamorous row for pressure against the DPRK on the basis of a unilateral and biased report submitted by some members of the IAEA Secretariat without so much as a study of the Korean-style method of reactor core refueling at the experimental atomic power plant.

A tough measure cannot be a solution to the issue, he said, adding that the U.S. imperialists should draw a proper lesson from the ignominious defeat it sustained in the Korean war and act with discretion.

U.S. Steps Against Peace Treaty Proposal Noted

SK1606105994 Pyongyang KCNA in English 1050 GMT 16 Jun 94

["Foolish Ruse To Mislead Public Opinion'—KCNA headline]

[Text] Pyongyang, June 16 (KCNA)—MINJU CHOSON in a commentary today denounces the United States which, displeased with the proposal and step of the DPRK for the establishment of a new peace arrangement, is alleging that the latter wrecked the Korean armistice agreement.

The analyst says:

The United States, far from accepting the DPRK's just proposal for ensuring peace on the Korean peninsula, is crying over "the violation of the armistice agreement", taking issue with it. This is intended to cover up its crimes in having deliberately and systematically destroyed the Korean armistice agreement and armistice machine and shift the blame on to the other.

It is the United States that destroyed and scrapped the Korean Armistice Agreement. After it was signed in July 1953, the United States, a signatory to it, began violating it even before the ink on the agreement was dry.

The U.S. side had shipped new types of weapons including nuclear weapons into South Korea in secrecy by camouflaged method, afraid of the Korean Armistic Agreement in the past days. But now it is introducing and deploying them openly in broad daylight.

In March 1991 it was the United States that appointed a "general" of the South Korean army without legal authority or qualification in view of the Korean Armistice Agreement "senior member" of the U.S. side, thus incapacitating the armistice machine from fulfilling its function.

The U.S side's attempt to revive the armistice machine is intended to persist in war provocation moves and keep tensions on the Korean peninsula.

The United States will be well advised to act with discretion, mindful that its perfidious act is not favourable to it.

Anti-U.S. Protests by ROK Students Reported

SK1606052394 Pyongyang KCNA in English 0425 GMT 16 Jun 94

["Anti-U.S. Struggle of South Korean Youth"—KCNA headline]

[Text] Pyongyang, June 16 (KCNA)—South Korean youth and students waged anti-U.S. struggles in front of the "American Cultural Centres" in Taegu and Pusan, Seoul-based radio reports said.

Young people in Taegu Tuesday scattered copies of literature denouncing the United States for screwing up the situation of the Korean peninsula with nuclear pressure on the North, shouting anti- American slogans and pouring paint on the building of the "American cultural centre" in the city and a police post.

They accused the United States of driving South Korean agriculture into bankruptcy with pressure to open agricultural product market.

On the 15th, students under the Pusan-South Kyongsang Provincial Federation of General Student Councils staged a surprise demonstration in front of the "American Cultural Centre" in Pusan.

They occupied a road and condemned the United States for creating a war crisis, shouting "objection to the U.S. heightening tensions on the Korean peninsula" and other slogans.

In a statement they charged that the U.S. harms the peaceful atmosphere of the Korean peninsula, clamouring for 'sanctions' against the North with the approach of the 3rd round of North Korea- U.S. talks.

Voice of America Cited on Situation in Korea

SK1606050694 Pyongyang KCNA in English 0420 GMT 16 Jun 94

[Text] Pyongyang, June 16 (KCNA)—Radio Voice of America Monday aired an article on the situation of the Korean peninsula.

The radio said that more than 40 years have passed since the Korean war ceased in July 1953, but huge Armed Forces of the belligerent parties are standing opposed to each other along the Military Demarcation Line on the Korean peninsula, with no peace agreement signed to completely end the state of war.

Noting that the international dispute over "full nuclear inspection" is facing the most grave crisis in which such a fabulous price as a second Korean war would have to be paid, the radio asked: Can the North Korean Army "be defeated" in this war?

Recalling that the United States has deployed Patriot missiles in South Korea and is reinforcing arms equipment of latest types and keeping the U.S. troops present in South Korea and the South Korean puppet army on the keen alert, the radio said: But we must remember that the Korean peninsula is not the Balkan peninsula and that, unlike Iraq, a vast desert area, 80 percent of it is covered with mountains, and the North Korean Army the United States would deal with is a special army different from other adversaries in the past.

The radio said one must not forget that President Kim Il-song, the elder statesman who has dealt with the United States and Japan for a long time, and supreme commander of the Army Kim Chong-il lead the North Korean Armed Forces and people.

Noting that today the U.S. military is finding itself in the toughest spot over this problem, the radio said nobody has indicated a solution to it and days are going by in vexation.

ROK's 'Provocative Act' in DMZ Denounced

SK1506140694 Pyongyang Korean Central Broadcasting Network in Korean 1100 GMT 15 Jun 94

[Text] According to military sources, on 14 June the South Korean puppets committed a provocative act of illegally bringing recoilless guns into the Demilitarized Zone [DMZ].

At around 09:15 [00:15 GMT] on 14 June, the puppet army's armed rascals brought in, and installed at an encampment, 90-mm recoilless guns inside the DMZ 600 meters south of the Military Demarcation Line [MDL] Marker No. 0412 in front of Kumsa-ri, Chorwon County. They took a firing position at our side, thereby gravely threatening the safety of our People's Army soldiers who were on routine duty at a guard post.

At around 08:40 [23:40 GMT] on the same day, a numerous number of the puppet army soldiers equipped with automatic weapons were inciting a war atmosphere while touring about this area by sneaking into the DMZ area southeast of the MDL Marker Nos. 0140 and 0170 in front of (?Mt. Taedok) in Changpung County on the western frontline and—prior to this, at around 07:50 [22:50 GMT]—into the DMZ area south of the MDL Marker No. 0468 in front of Mabang-ri, Chorwon County on the central front line.

This is the South Korean puppets' intentional and premeditated maneuverings aimed at artificially aggravating the situation inside the DMZ area on the MDL and arousing a North-South confrontation.

The South Korean puppets should profoundly consider the grave consequences the rascals will cause by their reckless provocative acts and should not do rash and thoughtless acts.

ROK's 15 Jun Civil Defense Training Reported

SK1606052494 Pyongyang KCNA in English 0435 GMT 16 Jun 94

[" 'Civilian Defense Training' in S. Korea"—KCNA headline]

[Text] Pyongyang, June 16 (KCNA)—The puppets staged a large-scale "civilian defense training" all over South Korea Wednesday by mobilising a great number of people, according to radio reports from Seoul.

They kicked up a dust with training of taking shelter and training under simulated conditions of "chemical, biological and radioactive attack" under an imaginary "emergency state."

The South Korean bellicose elements blared that it was a training of taking shelter in the wartime "to be prepared against the situation caused by the 'nuclear issue' of the North."

Earlier, the puppets announced that a massive military exercise will be staged involving various means of war, with 6.5 million men of the "civilian defense" forces and even U.S. troops present in South Korea participating in the training in the future.

The U.S. imperialists and the South Korean puppets are frequently staging war drills with increasing intensity, driving the situation on the Korean peninsula to the extreme pitch of strain. This indicates that their war hysterics to stifle the North has reached a very reckless stage.

'War Fever' Denounced

SK1606081594 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 15 Jun 94

[Text] Timed to coincide with its attempt to further drive the situation on the Korean peninsula onto the brink of war with the U.S. imperialists by finding faults with our fictitious nuclear issue, the South Korean puppets staged a game with a large-scale civil defense drill across South Korea on 15 June by dragging out thousands of residents, according to radio reports from Seoul.

The puppets made a stir by blowing warning sirens at 1405 all over places in South Korea and staging an evacuation drill preparing for all contingencies. In addition, the puppets ran amok in staging a drill simulating chemical, biological, and nuclear attacks in every place.

The South Korean warmongers incited war fever by babbling that the drill has been restored as a war time evacuation exercise to prepare for contingencies in the wake of the North Korean nuclear issue.

Prior to this, the puppets announced that in future drills, not only some 6.5 million reserve forces but also the U.S. Forces in South Korea will be mobilized and that it will wage a large-scale war exercise using various types of war equipment.

The U.S. imperialists and the South Korean puppets are continuously staging war exercises and increasing their degree by extremely heightening tension on the Korean peninsula. This shows that the rascals' war hysteria attempting to crush us has reached an extremely reckless stage.

Drill Called 'War Preparations'

SK1606081694 Pyongyang Korean Central Broadcasting Network in Korean 1222 GMT 15 Jun 94

[Commentary by Yun Pyong-son: "The Rash Act by War Maniacs"]

[Text] War preparations are being accelerated in a full-fledged manner in South Korea these days. They are making such rows as checking shelters everywhere and checking water pumping facilities. At the same time, they are conducting shelter-taking and fire-extinguishing exercises one after another.

Amid these rows, the puppets held the so-called 15th civil defense consultative meeting on 13 June. Repeating the stereotyped allegation of the North's so-called nuclear issue, they issued an instruction that the civil defense organization should be rechecked to prepare for an emergency, that the maintenance of the underground shelters, water-supply facilities, warning facilities, and emergency equipment should be completed by the end of this month. They also stated that they would expand the emergency summons exercise in order to ascertain the manpower to be mobilized in case of emergency.

In the meantime, a large-scale war exercise is being conducted in South Korea participated in by millions of civil defense unit members, puppet armed forces, and U.S. imperialist aggressor forces in South Korea. This is a phenomenon that one can see only on the eve of a war, and shows well how desperately the puppets are engaged in the maneuvers for a war of northward invasion.

The puppets rave that these war maneuvers are aimed at coping with someone's nuclear issue, but this is nothing but a sophistry to hide the danger of their maneuvers for a war of northward invasion.

The North's nuclear issue is the outcome of antisocialist, anti- DPRK maneuvers persistently pursued by the United States, and is a fiction invented to crush [apsal] our republic.

Nevertheless, the U.S. imperialists are massively assembling the aggressor forces in South Korea and its surrounding areas under the pretext of the North's so-called development of nuclear weapons, raving that they have no alternative but to fight with us and that a preemptive attack on North Korea is an option. In so doing, the U.S. imperialists are watching thirstily for an opportunity to provoke a war.

Moreover, the Kim Yong-sam ring, the filthy war servant for the U.S. imperialists, not only placed the entire puppet armed forces in an emergency alert posture in order to put them into a war of northward invasion at any time, but is committed to a major suppression campaign against democratic forces, thus attempting to suppress and obliterate all the forces which stand in the way of their implementing the war policy.

The war preparation maneuvers being waged concurrently across South Korea show that the puppets are accelerating at a final stage the preparations for the provocation of the war of northward invasion which the puppets regard as a set course of action.

Moreover, not to be overlooked is the fact that the puppets are intensifying the so-called checking of shelters, rechecking of the civil defense organizations, and shelter-taking exercise at the same time when the International Atomic Energy Agency [IAEA] adopted an absurd resolution on the suspension of the IAEA cooperation with our country and when the possibility of a UN sanction is being discussed.

In view of the international alliance which the puppets have pursued and the war preparations which they accelerated, we cannot but conclude that they are taking advantage of the present opportunity to light the fuse of a war of northward invasion.

The Kim Yong-sam ring is comprised of extremely vicious war fanatics who take no account of their fellow countrymen or the well-being of the nation. They are the filthy cat's paw of a war of the U.S. imperialists, and filthy and vicious national traitors.

Because of reckless war maneuvers of the U.S. imperialists and the puppet clique, an urgent situation is created now on the Korean peninsula in which a war could break out at any time, and the people of the world are expressing great worries over it. The Kim Yong-sam puppet clique's war maneuvers are the foolish rash acts of those who lost reason and whose future is doomed.

We have already warned that there is no mercy in war. If the Kim Yong-sam ring undertakes the road of adventure by downgrading us, it will be their own destruction. The puppets should squarely see that all they gain from the war maneuvers is nothing but their own ruin, and they should act with discretion.

Remarks by ROK Student Group Leader Reported

SK1506052494 Pyongyang KCNA in English 0430 GMT 15 Jun 94

["Hanchongnyon Chairman Denounces Kim Yong-sam 'Regime' as Flunkeyist and Treacherous One"—KCNA headline]

[Text] Pyongyang, June 15 (KCNA)—Student Kim Hyon-chun, chairman of the second-term of the Federation of General Student Councils of South Korea, in an interview with HANGYORE SINMUN denounced the Kim Yong-sam "regime" as a flunkeyist and treacherous one.

In his interview he said it was proved that the present "regime" is a treacherous and flunkeyist "regime" which evaded a probe into the May 18 truth and opened rice market against the demand of the people over the last one year and coiled up tensions on the Korean peninsula with the introduction of Patriot missiles.

It is a judgement of Hanchongnyon that there is no need to expect from the Kim Yong-sam "regime" any longer, he said.

Touching on this year's reunification movement, he said that the federation would defend the principle of great national unity, demand the signing of a peace agreement and continue to maintain the keynote of the student movement in the reunification movement including a successful opening of the pan-national rally.

He demanded that the present "regime" renounce its anti-reunification attitude to suppress Hanchongnyon.

Pomchonghaknyon Statement on Japanese 'Suppression'

SK1506051394 Pyongyang KCNA in English 0443 GMT 15 Jun 94

[Text] Pyongyang, June 15 (KCNA)—A spokesman of the North side headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghaknyon) issued a statement to the press Tuesday denouncing the Japanese authorities' suppression of the General Association of Korean Residents in Japan (Chongnyon) and Koreans in Japan.

He said that the raid on the Kyoto prefectural headquarters of Chongnyon by the Japanese police on June 6 was a downright expression of the Japanese authorities' heinous hostile policy toward the DPRK in collusion with the United States and the South Korean puppets.

The Japanese authorities are escalating crackdown on Chongnyon, talking about study of "measure for public peace at home" and establishment of "emergency security arrangements" he said, adding:

If the Japanese reactionaries think they can go scotfree after provoking Chongnyon, a dignified overseas citizens' organisation of the DPRK, and Koreans in Japan with a futile design to realize the old dream of "greater East Asia coprosperity sphere", it would be a big mistake.

The Japanese authorities must ponder over the consequences of their anti-DPRK and anti-Chongnyon racket, immediately give up such moves and sincerely apologize for all the criminal acts they have committed up to now and punish the criminals.

The spokesman expressed the belief that the Korean youth and students at home and abroad under Pomchonghaknyon would actively turn out in a struggle to defend the democratic national rights of the Korean youth in Japan, our brothers and sisters, and the dignity of the homeland from the Japanese reactionaries' ever intensified fascist suppression.

Christian Federation Denounces Japan's 'Raid'

SK1606114194 Pyongyang KCNA in English 1044 GMT 16 Jun 94

[Text] Pyongyang, June 16 (KCNA)—The Central Committee of the Korean Christians Federation in a statement Wednesday said that the surprise raid and forcible search of the General Association of Korean Residents in Japan (Chongnyon) and its officials by the Japanese police, part of the hostile policy toward the DPRK, is a deliberate and premeditated crime to destroy Chongnyon organisation and block its patriotic activities.

It strongly demanded that the Japanese authorities immediately stop their hostile policy toward the DPRK and anti-Chongnyon campaign, strictly punish those who are responsible for it and take a responsible step so as to prevent the suppression of the Chongnyon and infringement upon the human rights of Koreans in Japan.

The statement expressed the hope that all the Christians of the world who respect love and reconciliation, peace and justice and broad segments of the Japanese people would pay a serious attention to the grave obtaining situation, help stop the Japanese authorities' hostile policy toward the DPRK and anti-Chongnyon campaign and continue to express support and solidarity for Chongnyon in its righteous activities for democractic national rights and national reunification.

More Criticism of 'Suppression' of Chongnyon

SK1406215994 Pyongyang KCNA in English 1509 GMT 14 Jun 94

[Text] Pyongyang, June 14 (KCNA)—Japanese people are denouncing the authorities' suppression of the General Association of Korean Residents in Japan (Chongnyon).

Hiromi Takahashi, representative member of the Edokawa Ward People's Society in Tokyo, Japan, for supporting the independent and peaceful reunification of Korea, charged that Japan has defined the Democratic People's Republic of Korea as "the enemy," fostering tension under the pretext of its "nuclear issue" and suppressing Chongnyon.

He urged the Japanese Government to take steps to prevent outrages against Koreans in Japan. Lawyer Takayuki Yoshida denounced the search of the Kyoto prefectural headquarters of Chongnyon by the Japanese police and called for pooling strength in the struggle against "an emergency system" sought by the Japanese reactionary forces.

Takayoshi Yamanaka, vice-chairman of the All-Japan Federation of Peasants Unions, said though Japan must ask pardon of the Korean people for the issues of "comfort women for the Army" and forcible drafting, it is increasing tension in league with the United States and South Korea.

Warning that the suppression of Chongnyon today will reach the Japanese people tomorrow, he called for checking such fascist suppression.

Armed Forces Minister Meets With SRV Delegation

SK1506044794 Pyongyang KCNA in English 0427 GMT 15 Jun 94

[Text] Pyongyang, June 15 (KCNA)—O Chin-u, member of the presidium of the Political Bureau of the Central Committee of the Workers' Party of Korea and minister of People's Armed Forces, met and had a friendly conversation with a Vietnamese high-level military delegation led by General Doan Khue, Politburo member of the Central Committee of the Communist Party of Vietnam and minister of National Defence, which paid a courtesy call on him Tuesday at the Mansudae Assembly Hall.

Present were Vice Marshal of the Korean People's Army Kim Kwang- chin, Col. Gen. Pak Chae-kyong and Vietnamese Ambassador to Korea Duong Chinh Thuc.

Meeting Held To Welcome PRC School Delegation

SK1606114394 Pyongyang KCNA in English 1055 GMT 16 Jun 94

[Text] Pyongyang, June 16 (KCNA)—A meeting was held on June 15 at Changdok school, Mangyongdae District, Pyongyang Municipality, to welcome the delegation of Jilin Yuwen Middle School, China.

The great leader President Kim Il-song conducted revolutionary activities, studying at Jilin Yuwen Middle School from January 1927 to Autumn of 1929.

Kang Chun-ho, principal of Changdok school said in his speech at the meeting that Jilin Yuwen Middle School with a long history is a proud school which actively struggled against the Japanese imperialist aggressors and reactionary warlords in the past and trained excellent revolutionaries of China in this course. The teachers and students of the school have better tended the statue of respected Comrade Kim Il-song erected at their school out of a noble desire to convey forever the undying revolutionary relics of Comrade Kim Il-song, the great leader of the Korean people, and develop the traditional Korea-China friendship down through generations, he said.

Zhao Zhongxin, secretary of the Party Committee of the school, who is heading the delegation, speaking next, referred to the fact that President Kim Il-song and Comrade Kim Chong-il sent precious gifts to the school several times with deep concdrn. He said that they consider the school a symbol of China-Korea friendship.

The friendship between Yuwen school and Changdok school is all the more precious because the two schools are the historical places where President Kim Il-song studied.

Saying that Changdok school with modern educational equipment has a wealth of precious experience in instruction and education, he laid stress on deepening friendship between the two schools.

Souvenirs were exchanged at the meeting.

Rimpac Exercise Military Act 'Against' DPRK

SK1506062294 Pyongyang Korean Central Broadcasting Network in Korean 0840 GMT 14 Jun 94

[Unattributed talk: "Dangerous Military Action Aimed at Us"]

[Text] The recent situation surrounding the Korean peninsula is moving into an ill-boding direction with each passing day. As reported, the Rimpac military exercise participated in by the armed forces from the United States, Japan, and South Korea is being staged on the waters of the West Pacific Ocean close to our country, and this exercise which began at the end of May, will continue for 50 days until mid-July.

The exercise is being mobilized by the U.S. naval forces as its main force with some 60 additional naval ships and 200 airplanes and vast forces of over 25,000 troops from participating nations.

Our attention is drawn to the fact that, for the first time in history, naval forces of the United States, Japan, and South Korea are staging joint operations and forming one single fleet. This is an intolerable, reckless, military action when considering the fact that the U.S. imperialists are perpetrating arms reinforcement maneuvers in South Korea under the pretext of so-called sanctions against us and laying the blame on the nonexistent nuclear issue.

The fact that the military bosses of the United States, Japan, and South Korea, who have been holding frequent conspiratorial conferences of aggression against us, have gone so far as to stage joint operations by organizing a joint naval fleet this time, vividly shows that the tripartite military alliance that was formed long ago with the United States as its main axis and with the aim of crushing our country and other socialist countries in Asia, has entered a practical stage.

Our people are watching with vigilance the U.S. imperialists' intention to persistently perpetrate the military action against our Republic through these joint operations that have become more unscrupulous, and strongly condemn the Rimpac-94 military exercise.

As reported, the DPRK Foreign Ministry, in its spokesman's press statement of 23 May regarding the recent moves of the situation surrounding the Korean peninsula in an ominous direction, called upon the United States not to cling to military action, but to respond to our peaceful initiatives. The dangerous military situation prevailing on the Korean peninsula and the area surrounding it, shows that our proposal for negotiations to establish a new solid peace-guarantee system which will replace the military armistice mechanism in our country, is correct and timely.

Nevertheless, the U.S. imperialists are further expanding and strengthening military pressure on us through the Rimpac exercise in a bid to subdue us by force.

This is proven by the open remarks by an official of the Japan Defense Agency that the Rimpac-94 exercise is a political message to North Korea's nuclear program.

In particular, we cannot overlook the fact that the British paper SUNDAY TIMES of 5 June revealed that U.S. President Clinton was reviewing a plan to move the Rimpac military exercise site from the Pacific near Hawaii to the East Sea of North Korea in a bid to apply pressure on North Korea.

The U.S. imperialists are threatening and blackmailing us by mobilizing the multinational armed forces from Japan and South Korea. By so doing, the U.S. imperialists attempt to extremely aggravate the situation on the Korean peninsula and, thus, to invent an excuse for a military adventure against our Republic.

The U.S. imperialists will gain nothing from us through the Rimpac-94 exercises. The United States should not cling to the adventurous military action against us by mobilizing their follower countries, but should respond to our peaceful initiatives.

The U.S. imperialists should clearly know that any sanctions, pressure, or action for aggression does not work out in our Republic which treasures the country's sovereignty and the nation's dignity. They should behave with discretion.

Foreign Media Urge South To Destroy 'Wall'

SK1506124694 Pyongyang KCNA in English 1105 GMT 15 Jun 94

[Text] Pyongyang, June 15 (KCNA)—Foreign newspapers strongly urged the United States and the South Korean authorities to pull down the concrete wall built by them in the area South of the Military Demarcation Line.

The Ghanaian paper GHANA TIMES said that the United States and the South Korean authorities have built the concrete wall for the purpose of perpetuating the division of Korea and blocking the people's movement for reunification.

The Dutch paper MANIFEST said that the South Korean authorities, instigated by the United States, have built the concrete wall under the pretext of preventing a fictitious "invasion from the North" and committed an anti-national crime to keep divided forever the Korean people who have lived as a homogeneous nation, boasting of the 5,000-year long history and brilliant culture.

The Indian magazine STUDENTS' FORUM said that with the concrete wall built the fellow countrymen in the North and the South are unable to freely come and go and inquire after the health of their families and relatives and overall opening in all realms of politics, the economy and culture between the North and the South is blocked.

The Peruvian paper LA REPUBLICA said that there is no wall in the area north of the Military Demarcation Line but wire entanglements marking the boundary line. It said that to pull down the concrete wall is the will of the Korean people and the requirement of the times and the preservation of the concrete wall is a shame of the nation.

Anniversary of Kim Chong-il WPK Work Marked

Ministry of Armed Forces Seminar

SK1606044894 Pyongyang KCNA in English 0432 GMT 16 Jun 94

[Text] Pyongyang, June 16 (KCNA)—A seminar of the Ministry of People's Armed Forces was held Wednesday to commemorate the 30th anniversary of the start of work by Comrade Kim Chong-il, Supreme Commander of the Korean People's Army, at the Central Committee of the Workers' Party of Korea [WPK].

Choe Kwang, Politburo member of the C.C. [Central Committee], the WPK and chief of the General Staff of the KPA [Korean People's Army], and several other generals made speeches on the subjects including "Holding in high esteem respected Supreme Commander Comrade Kim Chong-il at the head of our party is historical event which brought great switchover in accomplishing the revolutionary cause of chuche," "Great leadership of respected Supreme Commander Comrade Kim Chong-il in making the whole Army crystal of singlehearted unity."

The speakers said that today all the officers and men of the People's Army have grown up to be loyal subjects and filial soldiers resolutely defending the party and the leader at the cost of their lives and the People's Army strengthened and developed into the invincible revolutionary Armed Forces capable of defeating any formidable enemy at one stroke. This is entirely a noble fruition of the great leadership of Comrade Kim Chong-il, Supreme Commander of the Korean People's Army, they stressed.

Noting that the last 30-year course of the People's Army is shining as proud annals in which the singlehearted unity of the whole Army centering on the great brilliant commander has been cemented as firm as a rock and has emerged victorious with its might, they pointed out that the supreme commander has resolutely defended the traditions of the singlehearted unity and more firmly realized the ideological and purposeful unity of the whole Army centering on the leader from the first period of his leadership over the revolutionary Armed Forces.

The speakers said that Comrade Kim Chong-il has strengthened and developed the revolutionary Armed Forces into a true army of the leader and the party.

They stressed that the People's Army is exalting its might as a powerful a-match-for-a-hundred army thanks to the great brilliant commander Comrade Kim Chong-il's chuche-based idea of army building and his extraordinary leadership, and herein lie his undying feats which will shine for ages with the victorious advance of the revolutionary cause of chuche.

Kim Pong-yol Attends Seminar

SK1606065494 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 15 Jun 94

[Excerpt] A seminar of the Ministry of People's Armed Forces was held on 15 June to mark the 30th anniversary of the start of work by Comrade Kim Chong-il, the supreme commander of the Korean People's Army [KPA], at the Central Committee of the Workers Party of Korea [WPK].

Present at the seminar were Comrade Choe Kwang, member of the Political Burau of the WPK Central Committee and chief of the General Staff of the KPA, Comrade Kim Pong-yol, vice marshal of the KPA, responsible functionaries of the Ministry of People's Armed Forces, and generals and officers of the KPA. [passage omitted]

Daily Marks Anniversary of Work

SK1506124594 Pyongyang KCNA in English 1100 GMT 15 Jun 94

[Text] Pyongyang, June 15 (KCNA)—NODONG SINMUN today carries an article headlined "Glorious Course in Which Most Brilliant Era has Opened in Building of Our Party" on the lapse of 30 years since the dear leader Comrade Kim Chong-il began to work at the Central Committee of the Workers' Party of Korea [WPK].

Comrade Kim Chong-il has led the WPK over the past 30 years, taking upon himself the work of all domains of party building including the organisational, ideological and leadership departments.

The article says the history of his leadership over the party building is a history of unfailing loyalty in which he has firmly defended the lineage of the party established by the leader and glorified the party as a great revolutionary party, and a brilliant history in which he indicated the fundamental questions of the revolutionary party building with his extraordinary intelligence and comprehensively completed the theories of building of a working- class party in the present era.

The article goes on:

Expounded in the theories of the party building which have been historically developed by the dear leader in depth are all the principled questions of party building, including the basic principles of party building, the idea and theory of building the party in a prospective way, the guidelines for strengthening the party ranks organisationally and ideologically and intensifying the party's leadership over the revolution and construction, and the ways of achieving close unity with the masses.

The past 30 years of his leadership to our party is also a proud history in which he has fundamentally changed the looks of the party with his surprising organisational skill and leadership ability.

He has changed fundamentally in a historically short period all domains and units of the party work from the question of improving the party members' mode of thinking and style of work to the question of traits of cadres, from the intra-party affairs to the external activities of the party.

Comrade Kim Chong-il has performed immortal feats unprecedented in the history of the revolutionary party building in the course of his glorious 30 years of leadership to the work of our party.

The greatest feat performed by him in realizing the cause of building of our party is that he has laid solid organisational and ideological foundations for strengthening and developing the party into a revolutionary party of chuche united in one mind forever.

The great leader Comrade Kim Il-song has said:

"The top echelon of the party has been built up, the organisational and ideological foundation of the party laid as firmly as a rock and its guidance system solidly established so as to carry on the ideas and leadership of our party. This is a brilliant success and a great victory in the building of our party."

A great victory worthy of special record in history has been won in the organisational and ideological building of our party under the guidance of the dear leader over the past 30 years.

In our party now, the ranks of cadres who constitute the backbone of its organisational and ideological foundation have been built with staunch revolutionaries who are sharing life and death with the party in any adversity. All our party members are vanguard fighters following the leader only with loyalty and filial piety.

In the aspect of ideological building, our party has become a pure ideological entity in which only one idea, the chuche idea, prevails.

Any heterogeneous idea or unsound trend contrary to the ideology and intentions of the leader cannot intrude into our party.

Great feats performed by Comrade Kim Chong-il in the cause of building a revolutionary party of chuche also lie in that he has strengthened and developed our party into a powerful general staff of the revolution leading the revolutionary cause along an ever- victorious road with his invincible leadership ability.

In the course of his leadership of the cause of party building the party's leadership system has been established in our society on the highest level whereby to firmly ensure the party's leadership over all the domains and units of the revolution and construction.

Having strengthened and developed the party into an invincible revolutionary party linked to the masses by the strongest, close bonds of kinship is a great feat performed by Comrade Kim Chong-il in the cause of building the revolutionary party of chuche.

He has established throughout the party a revolutionary trait of working as demanded by the Chongsanri spirit and the Chongsanri method, thus turning the party into a revolutionary party always sharing the same destiny with the masses at all times in one lineage, a party without bureaucratism and abuse of power, for the first time in the history of the communist movement.

Having strengthened and developed the Workers' Party of Korea into indestructible militant ranks never seen before in the ideological and organisational aspects and in relations with the masses and set a model of the times in building a revolutionary party holds the most brilliant place in the revolutionary feats performed by the dear leader.

National Photo Exhibit Held

SK1506051494 Pyongyang KCNA in English 0438 GMT 15 Jun 94

[Text] Pyongyang, June 15 (KCNA)—A national photo exhibition commemorating the 30th anniversary of the start of work by the dear leader Comrade Kim Chong-il at the Central Committee [C.C.] of the Workers' Party of Korea [WPK] opened at the People's Palace of Culture here Tuesday.

On display were 220 pieces of photos showing the feats performed by Comrade Kim Chong-il for the times and revolution, leading the Workers' Party and people of Korea with his outstanding ideological and theoretical activities and tested leadership over last 30 years since he began to work at the Party Central Committee. Among them are pictures of "The Dear leader Comrade Kim Chong-il standing at the head of our party by the unanimous desire of the whole party and the entire people", "The dear leader Comrade Kim Chong-il, genius of thought and theory" and "Comrade Kim Chong-il, supreme commander of the Korean People's Army sees table-top model."

Secretary of the C.C., the WPK Kim Ki-nam and officials concerned and working people in Pyongyang were present at an opening ceremony.

Kim Chong-il Extends Thanks to Various Units

SK1506043594 Pyongyang KCNA in English 0423 GMT 15 Jun 94

[Text] Pyongyang, June 15 (KCNA)—The dear leader Comrade Kim Chong-il extended thanks to an official and different units that had distinguished themselves in displaying the beautiful tradition of army-civilian unity. His thanks went to the Korea joint-venture bank, Yanggang Hotel, Pyongyang University of Railways, the national training centre of the State Commission of Physical Culture and Sports, the soy and edible oil direct sales store in Pyongyang, the Mangyongdae District fuel supply base and Pak Kyong-mi, a reporter with the Inmin Pogon Office.

In the Democratic People's Republic of Korea today the drive for aiding the People's Army is going on briskly as a social movement and, through it, the Army and civilians form an integrated whole, hardening their determination to resolutely defend the party and the leader and safeguard the Korean-style socialist system.

Kim Chong-il Efforts in Rail Development Hailed

SK1606113894 Pyongyang KCNA in English 1033 GMT 16 Jun 94

[Text] Pyongyang, June 16 (KCNA)—A symposium in the domain of railways took place to mark the lapse of 30 years since the dear leader Comrade Kim Chong-il began to work at the Central Committee of the Workers' Party of Korea.

Speakers at the symposium noted that the dear leader regarded railway transport as a leading sector to which definite precedence over other branches of the national economy must be given and has led them to effect a signal change in their work.

They said an important feat performed by the dear leader in directing the work of railway transportation is that he defined "the drive for extra haulage on schedule without accident to implement the decision of the 18th plenary meeting of the 5th Central Committee of the Workers' Party of Korea" as a mass movement of loyalty which the railway workers should hold fast to and conduct vigorously, and led them to register brilliant successes in this movement.

Now, the railway transport domain, they said, has assumed its looks wonderfully as a pioneer of the national economy and is playing a big part in the transport of materials conducive to socialist economic construction.

* Paper Reports Worldwide Grain Shortage

942C0122A Pyongyang MINJU CHOSON in Korean 22 Apr 94 p 6

[Article by Yi Chang-kyun: "Global Food Shortage"]

[Text] The great leader Comrade Kim Il-song taught as follows:

"The whole world is crying in distress because of the food crisis as numerous people are dying from starvation."

The current food situation is getting worse than ever before, causing dire social and political problems.

Statistics show that the world's grain output has diminished each year. In the past 8 years the world's per capita grain output has decreased by 8 percent on the average. It plummeted sharply last year in particular. According to an estimate by the UN Food and Agricultural Organization [FAO], the world's grain output in 1993 fell 3.5 percent from the 1992 level.

The drop in the grain output is not limited to any one country, region, or continent, but it is becoming a global phenomenon.

Last year the grain output fell sharply in major grain producing countries in particular.

In 1993 the U.S. corn output fell 54 million tons from the preceding year, and in Russia the grain output dropped by 6.8 million tons in the same period. Japan's 1993 rice output was 25 percent below the 1992 output, registering the lowest level since the end of World War II. In the Sevilla area in Spain the rice output dropped by one-third last year.

The situation in Africa is the same. Some African countries are producing only less than half of the amount of grain needed.

With the annual grain output diminishing each year, the world's total grain stock has shrunk to critical proportions.

The world's current food reserve is estimated at only 17 percent of the total demand, the lowest point in 10 years.

The worldwide food shortage is creating a tragedy in which a countless number of people are dying from starvation.

Since early this year quite a few countries have asked for emergency food aid to tide over their food shortage. Reportedly, 46 countries currently need 4.5 million tons of food aid for their hungry children and women.

According to statistics, currently 1.5 billion people go hungry worldwide, and children suffering from malnutrition number 200 million. Each year more than 20 million people die from starvation.

In developing countries 550 million people are on the verge of starvation, the number of deaths from hunger reaching between 13 and 18 million. In Africa, 80 million people are in the immediate danger of starvation. One in every three Africans is suffering from malnutrition.

The hunger in capitalist countries is also serious. In the United States more than 30 million people go hungry. The number of hungry people is also increasing in the former Soviet Union now under capitalism and in East European countries as well.

The food shortage is causing social disorder and confusion, and even political crises, in a number of countries.

There are several reasons for the worsening food situation.

First, because of the inadequate soil conservation and management, a lot of farmland has been made unfit for farming or washed away by the floods.

Statistics show that in the past 10 years 150 million hectares of tropical forests have disappeared worldwide. This decrease in the forest acreage has caused a serious flood and drought damage and a massive washing away of arable land. Each year 6 million hectares of land is turning into a desert worldwide.

Each year 9 million hectares of arable land becomes unfit for farming because of the poor fertility of the soil.

Another reason for the diminishing grain output is the inadequate irrigation.

The total acreage of world's arable land is 1,475,420,000 hectares. Of this total only 15 percent is under irrigation. The acreage under irrigation is less than 2 percent in the sub-Saharan Africa.

According to agricultural experts, water-related problems, such as drought, flood, and contaminated underground water, account for 80 percent of the damage to the growth of farm crops in developing countries.

Even a slight drought causes a serious damage to the crops in unirrigated areas and ruins the farming. In some parts of the Middle and Near East and Africa, the farm output has been minuscule because of the perennial drought.

Another reason for the failure to increase the farm output is related to the low level of scientific and technological knowledge of the rural population.

The question of boosting production depends in no small measure on the ability of the people directly involved. But in most countries in the world the general level of knowledge of the rural population is very low. There are 948 million illiterate adults worldwide, and most of them live in rural areas.

Incessant conflicts and armed clashes arising in many countries in the world are also causing serious losses to farm production. Numerous farmers abandon their devastated land to escape from the bloodshed, and a considerable acreage of farmland is diverted to the construction of military facilities.

There is a little prospect for improving the world food situation in the foreseeable future. The FAO warns that unless there is a drastic change in agricultural production, humanity would face a far more "serious food shortage" in the year 2000.

The current food crisis which is threatening the very existence of humanity must be overcome.

Seminar of Party Cadres Training Centers Held

SK1506124094 Pyongyang KCNA in English 1009 GMT 15 Jun 94

[Text] Pyongyang, June 15 (KCNA)—A seminar of party cadres training centres was held here Tuesday on the lapse of 30 years since the dear leader Comrade Kim Chong-il began to work at the Central Committee of the Workers' Party of Korea.

Speeches were made there on the subject "Holding in High Esteem the Dear Leader Comrade Kim Chong-il at the Head of Our Party is a Great Historical Event Which Brought About a New Upswing in the Development of the Party and the Revolution" and other subjects.

Comrade Kim Chong-il has comprehensively completed and brilliantly applied the revolutionary theory and method including the chuche-based theory of the party building, thus victoriously leading the whole party and the entire people to the accomplishment of the socialist cause and performing the immortal feats for the party and revolution, the era and the history, the speakers said.

They noted that the feats performed by him in the work of training party cadres are that he has brought up cadres to be competent true leading men who have been tested politically and ideologically in a revolutionary way and prepared theoretically and practically and thus firmly built core elements to firmly defend and glorify the party, the revolution and the socialist system.

Today the socialism of our style is winning victory one after another and our party is displaying its invincible might, not wavering in any vicious anti-DPRK moves of the imperialists, the speakers pointed out, saying this is a clear demonstration of the greatness of the idea and the leadership of the dear leader.

Brilliant today and bright future of the party, the country and the people lie in holding him in high esteem at the head of the party and the revolution forever with loyalty and filial piety, the speakers stressed.

Country Preserving 'Revolutionary Relics'

SK1606042694 Pyongyang KCNA in English 0405 GMT 16 Jun 94

[Text] Pyongyang, June 15 (KCNA)—The Democratic People's Republic of Korea is preserving the revolutionary relics and remains as eternal wealth.

Recently the technical agency for the preservation of revolutionary sites manufactured a new fireproof and waterproof cloth and a glass cylinder, making it possible to permanently preserve historical mementoes, slogan-bearing trees, relics and remains of the period of the anti-Japanese revolutionary struggle.

There are many revolutionary mementoes and remains in all parts of the country, especially in the area of Mt Paektu.

The dear leader Comrade Kim Chong-il has long since made sure that the revolutionary relics and remains associated with the glorious revolutionary traditions of the Workers' Party of Korea were preserved well to be conveyed through generations. Saying the revolutionary slogan-bearing trees are wealth more precious than a thousand pieces of gold, he indicated the orientation and way of permanently preserving them in glass cylinders.

The officials and working people in charge of the preservation of revolutionary sites are building up the revolutionary battle sites and historical sites and preserving them well while discovering and arranging revolutionary historical materials and revolutionary mementoes.

Musums have been built in every place associated with the revolutionary traditions and relics and remains are preserved well in their original state.

Secret bases, slogan-bearing trees, relics and remains of the period of the anti-Japanese armed struggle are being discovered in large numbers through a vigorous unearthing of revolutionary relics. Entering the 90s alone, more than 11,650 slogan-bearing trees including those inscribed with the slogans "Let us uphold general Kim Il-song, the hero of the nation and great man of all people", "Woman general of Mt. Paektu Kim Chong-suk, woman general of the anti-Japanese war produced by Korea" and "The Paektu lodestar rose up above Mt. Paektu. It shines over three thousand-ri land", and new secret bases and many revolutionary relics and remains have been founded in Musan and Yonsa Counties of North Hamgyong Province and other places.

Korean People's Army Sports Competitions Open

SK1506052394 Pyongyang KCNA in English 0446 GMT 15 Jun 94

[Text] Pyongyang, June 15 (KCNA)—The first "Iltangbaek prize" sports competitions of the Korean People's Army (KPA) opened at the May Day Stadium here Tuesday.

Football, basketball, volleyball, marathon, shooting, boxing, wrestling, judo and many other events will be competed by sports teams of all the units of the Korean People's Army.

In his opening address, Choe Kwang, Politburo member of the Central Committee of the Workers' Party of Korea and chief of the general staff of the KPA, said that the sports competitions for "Iltangbaek prize" are a significant one contributing to enhancing the national sports technique as a whole and strengthening the militancy of the People's Army by developing sports work within the KPA.

A football game took place after the opening ceremony.

The competitions will be held annually here to mark the anniversary of the victory in the fatherland liberation war.

South Korea

IAEA Officially Recognizes DPRK Withdrawal

SK1606005794 Seoul KBS-1 Radio Network in Korean 2200 GMT 15 Jun 94

[By Cha Man-sun from Vienna]

[Text] The International Atomic Energy Agency [IAEA] on 15 June was informed by the United States of North Korea's notice of withdrawal, and officially declared that North Korea was no longer a member state.

The United States, the trustee of the IAEA ratification treaty, delivered an official document to the IAEA Secretariat on 15 June which stated that North Korea was withdrawing from the IAEA. The official document received by the IAEA clearly points out that North Korean Foreign Minister Kim Yong-nam officially notified the U.S. Government of the North Korean authorities' decision to withdraw from the IAEA as of 13 June.

With the receipt of the official document, the IAEA, as authorized by the United States which is the trustee country, declared that North Korea has given up its membership as of 13 June and informed the 35 board of governor states and other member states. The IAEA reaffirmed, however, that North Korea's withdrawal of its member state status does not at all effect the nuclear security agreement signed between North Korea and the IAEA in 1991.

Government Agrees to U.S. Sanctions Resolution

SK1506235694 Seoul YONHAP in English 2349 GMT 15 Jun 94

[Text] Seoul, June 16 (YONHAP)—The South Korean Government held an unofficial unification and security policy coordination meeting Wednesday and agreed to a five-item U.S. draft resolution on U.N. sanctions against North Korea.

"South Korea and the United States have already completed their consultations on the draft resolution," said one senior government official Thursday.

"There would not be any change in close coordination between Seoul and Washington in the process of proposing the draft resolution at the Security Council and its adoption," the official added.

The U.S. Government sent a copy of the draft resolution to Seoul Tuesday afternoon to hear South Korea's views on it.

The government's unofficial meeting Wednesday was presided over by Deputy Prime Minister Yi Hong-ku. Another unofficial meeting is planned for Thursday, sources said.

Foreign Ministry Views Approval

SK1606020894 Seoul YONHAP in English 0155 GMT 16 Jun 94

[Text] Seoul, June 16 (YONHAP)—South Korea received the U.S.-drafted sanctions resolution on North Korea Wednesday and the president approved it, Foreign Minister Han Sung-chu said Thursday.

A unification and national security policy coordination meeting convened late Wednesday reviewed the draft received earlier in the day and agreed it was ready for United Nations consultations, he said.

"The draft, if adopted as it is, will be very effective, exerting great pressure on North Korea," Han said at a press conference. "It appropriately reflects the position of South Korea."

He predicted that it will take two to three weeks before the draft passes discussion within the Security Council and is finally adopted.

Meanwhile, he left the door open for dialogue with Pyongyang, saying it all depends on North Korea's attitude in the coming days.

"As we have said before, the purpose of the resolution is not sanctions themselves but to clear up the suspicion about North Korea's past nuclear activities and to secure nuclear transparency for the present," said Han.

"Before or even after the resolution is adopted, the door remains open for dialogue if North Korea carries out its obligations under the nuclear safeguards accord and cooperates with the International Atomic Energy Agency (IAEA)," the foreign minister said.

The draft gives the communist state a 30-day grace period to unconditionally comply with the nuclear safeguards agreement and to implement the inter-Korean accord on denuclearization.

The U.S.-drafted resolution contains six points including a mandatory ban on weapons imports and exports, partial diplomatic sanctions, a ban on all flights except regular passenger services, and an embargo on any technological cooperation related to nuclear science.

These are the first-phase sanctions, he said, with second-phase action to include freezing funds remitted to North Korea, Han said.

The second-phase sanctions, including a freeze on all North Korean assets abroad, would be implemented immediately in the event of any negative behavior by Pyongyang such as withdrawing from the Nuclear Nonproliferation Treaty (NPT), he said.

Asked about China's position on the draft, Han said it was probably given to Beijing late Wednesday and no reaction was yet forthcoming.

He suggested that the next phase of sanctions could well include a ban on China's crude oil supplies to its neighbor and traditional ally North Korea, saying "a number of stringent actions can be included."

"The resolution outlines clearly the conditions under which the sanctions will be abandoned before implementation and the conditions under which the sanctions will be stopped after implementation begins," Han explained.

"Whether these conditions have been met sufficiently for the involved parties to engage in dialogue, the judgement of the IAEA is crucial," he said, suggesting that North Korea will have to negotiate with the U.N. nuclear agency to defuse the problem.

The North announced earlier this week that it was quitting the IAEA in retaliation for the agency's own sanctions resolution on Pyongyang.

The foreign minister did not go into detail about specific means of South Korean participation in the sanctions, although the first- phase U.N. measures include suspension of bilateral and multilateral development assistance.

"If the sanctions go into effect, there will be much for us to do both bilaterally and multilaterally," said Han.

He indicated negotiations have been held on what to do about inter-Korean trade activities at this point, saying "The government does have thoughts on this issue."

"But the focus now is on U.N. measures. It would be improper to say what the thoughts are at this point," said Han.

Opposition Figures Oppose Sanctions

SK1606054194 Seoul YONHAP in English 0526 GMT 16 Jun 94

[Text] Seoul, June 16 (YONHAP)—Scores of representatives from the opposition camp and the academic and social circles said Thursday they would oppose punitive sanctions against North Korea for purposes other than securing nuclear transparency, even if such sanctions were contained in a U.N. resolution.

During a press conference at a Seoul hotel, 59 major opposition figures said in a joint statement that the North Korean nuclear problem should be solved peacefully through the basic South-North agreement and the joint declaration on denuclearization of Korean peninsula.

Among the participants were Rep. Yi Ki-taek, leader of the main opposition Democratic Party, YMCA Secretary-general Kang Mun-kyu, the Rev. Kim Kwan-sok and Chosun University President Yi Ton-myong.

They called on the U.S. Government to hold a third round of talks with North Korea for a package deal to settle the nuclear problem, also urging the South Korean Government to solve the issue through dialogue with the North.

"The most serious thing we are worrying about right now is the thought and action behind solving the nuclear row through sanctions," they said, emphasizing their opposition to sanctions by only South Korea, the United States and Japan or by the Americans alone.

They pointed out that the Korean people's survival is threatened by the vicious cycle of sanctions, repercussions and strong countermeasures without the principle of compromise and dialogue.

Meanwhile, the ruling Democratic Liberal Party convened a meeting of postholders to discuss the joint statement and urged DP leader Yi to reconsider his position on the nuclear issue.

DLP spokesman Pak Pom-chin refuted their views on the crisis of the Korean peninsula as "dangerous logic justifying North Korea's nuclear weapons development in a tacit gesture."

'Contradictions' in U.S. Policy

SK1606100494 Seoul HANGUK ILBO in Korean 16 Jun 94 p 2

[By Chong Pyong-chin]

[Text] North Korea conveyed to the United States a document on its withdrawal from the International Atomic Energy Agency [IAEA] on 15 June. On the same day, the United States completed its draft resolution on sanctions against North Korea to be presented to the UN Security Council. The situation with regard to the North Korean nuclear issue has become increasingly strained.

From the viewpoint that the coordination of opinion between the ROK and the United States is more important than ever under this situation, the government let all communication channels between Washington and Seoul, and between the United Nations and the Foreign Ministry become wide open. As long as our government, which is one of the parties most directly concerned with the North Korean nuclear issue, remains as a third party in negotiations on the nuclear issue, the United States, a party concerned with the negotiations, is sitting face to face with North Korea in the place of our government while negotiating with it on behalf of the United Nations and the IAEA which represent the international community.

Nevertheless, some people's criticism is that the United States shows an attitude of dealing with the North Korean nuclear issue as a line in the chain of its own diplomatic policy, and our government is not effectively responding to the U.S. policy of approach toward the issue. As the North Korean nuclear issue has lately brought about an excessive "sense of simulated crisis [kasangjok wigigam]" on the Korean peninsula, the aged doubt [haemugun pulsingam] that "the United States has a passive opinion [sogukchogin kyonhae] on tensions on the Korean peninsula because it wants to resolve the North Korean nuclear issue in its own way" seems to be raised again. In short, people note that the ROK and the United States have yet to build a belt of consensus in which they can share even specific interests [kuchejogin ihaekkaji kongyuhanun konggamdaega hyongsongdoeji anko itta].

It is learned that the ROK and the United States have a good system for pre- or post-coordination of their opinion and that there is a relatively wide belt of consensus between the two. Presidents Kim Yong-sam and Bill Clinton have held talks over the telephone at every critical stage for every important issue. Foreign Minister Han Sung-chu and U.S. Secretary of State Warren Christopher have also held frequent talks in person or over telephone. In addition, Nuclear Ambassador Kim Sam-hun has paved way for pictorial cooperation between the two countries by visiting the United States, and Robert Gallucci, U.S. ambassador in charge of the North Korean nuclear issue, will visit our country and Japan in the near future to round off the cooperation system between the ROK, the United States, and Japan.

On the other hand, however, some people note that "the two countries have held frequent talks for coordination of opinion but seem to have failed to reach a complete agreement to share even interests."

When North Korea declared its withdrawal from the IAEA, the United States, a suzerain state of the agency, branded [kyujong] North Korea's attitude as "an unforgivable act against the international community," and some U.S. sections made without hesitation such strong utterances as "they would not hesitate in imposing even military sanctions." Meanwhile, our government held an emergency meeting on measures against North Korea's declaration. However, it said "it would adhere to its original policy of using both dialogue and sanctions." Yi Hong-ku, deputy prime minister and minister of the National Unification Board, who presided over the meeting, made it clear that "UN sanctions will be sanctions for dialogue." These facts cause us to assume that the ROK and the United States have a different awareness of the crisis on the Korean peninsula.

There have been more contradictions in cooperation between the ROK, the United States, and Japan. When Ambassador Kim Sam-hun visited the United States and held working-level talks with the United States and Japan, he said "the three countries are cooperatively coping with the North Korean nuclear issue." However, when faced with the unexpected variable of North Korea's withdrawal from the IAEA, they showed wavering attitudes in reaching agreements and coordinating opinions. A ranking official of our government prospected, "This fact [North Korea's withdrawal from the IAEA] will not influence UN sanctions against North Korea and, accordingly, it will take two or three weeks, as scheduled, for the UN Security Council to formally discuss sanctions against the North." The United States, however, immediately prepared a draft resolution on sanctions against the North and opened it to public on the following day. They differed from each other in way of understanding the matter.

In addition to the withdrawal from the IAEA, North Korea has begun to show another card, that is, the withdrawal from the Nuclear Nonproliferation Treaty. Situation will all the more require the partnership among the ROK, the United States, and Japan, particularly between the ROK and the United States, in coping with the North Korean nuclear issue.

Carter Remarks on U.S.-DPRK Normalization

SK1606020994 Seoul KBS-1 Radio Network in Korean 0100 GMT 16 Jun 94

[Text] The government decided to support the resolution calling for sanctions against the North which was drafted by the United States and which is being discussed among the UN Security Council member states, and to maintain close cooperation with friendly countries for the passage of the resolution through the United Nations. This decision was made at a meeting of the unification and security-related ministers after they were informed by the United States yesterday of the draft resolution on sanctions against the North.

In this connection, a responsible Foreign Ministry official said that ample discussion was held with our government prior to the U.S. draft of the resolution calling for sanctions against the North which stipulates an arms embargo and a one-month grace period and that it thus well reflects our government's position.

The Foreign Ministry official said that because former U.S. President Carter made clear in his remarks that North Korean nuclear transparency was the premise for normalization of U.S.-North Korean relations, this does not significantly deviate from the basic policy of the ROK and the United States to solve the North Korean nuclear problem thoroughly and comprehensively.

Scholars Polled on DPRK Nuclear Issue

SK1606075194 Seoul YONHAP in English 0726 GMT 16 Jun 94

[Text] Seoul, June 16 (YONHAP)—A majority of South Korean scholars with doctoral degrees believe that North Korea has brought on the nuclear dispute in order to wiggle out of its economic difficulties.

In a survey conducted by the Seoul Research Center, more than half (50.5 percent) of 182 scholars polled said Pyongyang started the nuclear row to obtain U.S. economic aid.

Some 20.3 percent said North Korean leaders caused the nuclear standoff to quell economic and social instability in their country.

The survey was conducted May 14-15 on sociologists, political scientists, nuclear and other scientists. The margin of error was not disclosed.

According to 10.4 percent of the pollees, Pyongyang raised the nuclear issue as a means of defending itself against the joint U.S.- South Korean annual military exercise "Team Spirit." Some 17 percent viewed the nuclear row as preparations for war.

Asked about their sense of danger, 27.4 percent said they felt none at all, 32.4 percent said a little and 23.6 percent replied they felt more or less in peril and worried about the situation.

Some 11.5 percent said they felt at considerable danger but there was no way of preparing while only 4.9 percent said they sensed a lot of danger and were preparing for it.

Meanwhile, 56.5 percent said they believe North Korea already has nuclear bombs and will make more while 41.7 percent think Pyongyang has the capability but has not yet made any.

Commenting on former U.S. President Jimmy Carter's visit to Pyongyang, 39.5 percent expect a temporary effect, 27.4 percent said Carter could not make any strong demands of North Korean President Kim Il-song because he is visiting in a private capacity, and 22.5 percent expected a slight achievement from carter's visit although they felt it was undesirable for a former American leader to get involved.

Only 5.4 percent said they thought Carter's visit would be an effective method of resolving the issue and 4.9 percent said there would be no result at all.

With regard to North Korea's withdrawal from the International Atomic Energy Agency, 43.9 percent said it was a North Korean plot to induce U.S. economic aid while hiding its nuclear capability under a shroud.

However, 28.5 percent said Pyongyang decided to quit the IAEA as a result of the international community's bid to impose sanctions on it. That's why the United States should withdraw a draft resolution on sanctions and induce Pyongyang back to the negotiating table, they said.

DPRK To Use Japanese Wives as 'Human Shield'

SK1606112994 Seoul YONHAP in English 1119 GMT 16 Jun 94

[Text] Tokyo, June 16 (YONHAP)—North Korea plans to move the Japanese wives of Korean men in the North to near the Yongbyon nuclear estate for use as a "human shield" against possible attack by the United States, a leading Japanese weekly, SHUKAN BUNSHUN, reported in its latest June 23 issue.

The weekly said the Japanese wives of those Korean men repatriated from Japan to North Korea in the late 1950s are officially estimated at 1,831 but their number would actually run to thousands.

The report said it had obtained the information that some Japanese women in North Korea flashed an "SOS" to Japanese authorities, saying "we are about to be sent to an area near nuclear facilities."

"If this is true, Pyongyang apparently intends to use the Japanese wives as a human shield against possible U.S. attack on nuclear facilities," a Japanese Defense Agency official was quoted by the weekly as saying.

"This could also be a blackmail or retaliation against the Japanese Government moving to join international sanctions against North Korea over the nuclear question."

DPRK Defector Accepted at Kimpo After Fleeing

SK1606070894 Seoul YONHAP in English 0635 GMT 16 Jun 94

[Text] Seoul, June 16 (YONHAP)—A 36-year-old North Korean arrived at Kimpo airport Thursday, months after defecting to a third country to seek asylum in the South, the Agency for National Security Planning (NSP) said.

Chin Kwang-ho, born to an ethnic Korean family repatriated to the North from Japan, was working as a driver at a supply base in a North Korean military academy when he defected in early February, according to the NSP.

Grievances over the severe discrimination against Koreans repatriated to the North from Japan drove Chin to flee, the agency said.

The South Korean Government decided to accept him from a humanitarian point of view.

Chin has a mother and an elder sister still living in North Korea, the NSP said.

Former DPRK Loggers in Siberia Describe Work

SK1406072194 Seoul YONHAP in English 0628 GMT 14 Jun 94

[Text] Seoul, June 14 (YONHAP)—North Korean lumberjacks at Pyongyang-run logging camps in Siberia toil up to 22 hours a day under sub-human working and living conditions, it was revealed Tuesday.

Six North Korean loggers, who earlier fled the camps and then resettled in South Korea last month, told a joint news conference at the Press Center that camp working hours usually run about 16 hours and sometimes up to 22 hours a day.

In addition to the long hours, most of the lumberjacks are not fed properly and many cannot work because of extreme hunger, they added.

The six are Choe Chong-nam, 36, Kim Sung-chol, 33, Kim Tong-un, 35, Paek Ho-chol, 28, Won Yu-nam, 25, and Chang Il-un, 30. They have resettled in the South after arriving in Seoul May 18 from a third country.

"Food was not supplied properly and there were cases where some lumberjacks had to catch rats or frogs and eat them," said Kim Tong-un.

"But they could not complain about the inhuman conditions because, if they did, they would be prosecuted as political criminals," he said.

A lumberjack can make up to 100 won to 130 won (50 to 65 U.S. dollars) a month. But workers receive such maximum pay only about two months out of the year, Kim Sung-chol said. Wages come to much less during the rest of the year.

Pay is halved by the time it reaches the individual worker's pocket when deductions are made for such necessities as meals and equipment, he said.

Nevertheless, jobs at Siberian logging camps are difficult to land in North Korea because there are too many people who want to work there despite the harsh conditions, Won Yu-nam said.

Won said North Korea sent only convicted criminals to Siberian logging camps before the collapse of communism in the Soviet Union and East European countries in 1989.

Since then, however, Pyongyang has sent only workers with clean personal backgrounds, he said.

Commenting on their motive for escaping from the camps, Choe Chong-nam said that since he did not have enough money on which to live in Russia, he traded in Chinese and South Korean goods to make money on the side.

"But a party functionary found out and demanded a payoff from me," he said, explaining that was the direct reason for his escape.

Choe said he lived with an ethnic Korean family for a while but decided to resettle in South Korea as North Korean agents were doggedly pursuing him.

He said he did not know much about South Korea but in the process of selling South Korean goods, he found out about life in the South bit by bit.

Choe explained that he also listened to South Korean radio broadcasts and realized that South Koreans have much higher living standards than people in the North.

Kim Tong-un said that after fleeing, he hesitated for some time before deciding to resettle in the South. He said he was worried that his family would have to suffer because of him.

The former loggers said they could not disclose the details of how they escaped from the camps and wandered across vast areas of Russia because there are still many other fleeing North Korean lumberjacks hoping to resettle in the South.

Ministry To Publicize War Documents From Russia

SK1106075094 Seoul YONHAP in English 0732 GMT 11 Jun 94

[Text] Seoul, June 11 (YONHAP)—The Foreign Ministry will make public parts of the Korean war (1950-1953) documents received from Russia on June 25, officials said Saturday. The documents are being translated into Korean by Foreign Ministry officials and staff at the South Korean Embassy in Russia, they said.

"The documents include telegraph messages between Kim Il-song and Joseph Stalin. They can substantially prove North Korea made the first provocation against South Korea," said one official, "Once the papers are translated, they will carry much, much value." North Korean still insists that Seoul made the first attack.

Russia gave South Korean President Kim Yong-sam the war documents when the latter visited Moscow last week. The bundle contains over 600 pages of over 200 items including communication North Korea had with the former Soviet Union and China from January 1949 to October 1950. For example, the materials show Kim Il-song requested Moscow's support for the war in January 1950 and Stalin agreed the following month. They include an attack plan prepared by Russian military officials in May 1950 and the kind of weapons Soviets supplied to North Korea between September 1949 and April 1950.

Officials said the original papers will be kept by the government and sensitive materials will be kept confidential.

Russia: Five N. Koreans 'Unwelcome' Diplomats

SK1606022394 Seoul KBS-1 Radio Network in Korean 0133 GMT 16 Jun 94

[Text] It has been revealed that the five North Koreans who were recently deported from Russia for attempting to obtain nuclear materials [haek mulchil] were diplomats.

(Basilev), spokesman for the Counter-Intelligence Headquarters of the Russian Federation, said today that the five North Koreans who tried to obtain materials [mulchil] for use in manufacturing nuclear weapons were designated as figures to be avoided [kipi inmul], that is, unwelcome diplomats in the country where they work, and were deported from Russia in the spring.

PRC Denies Rumor of DPRK Military Aid

SK1606051794 Seoul KBS-1 Radio Network in Korean 2200 GMT 16 Jun 94

[By YONHAP from Moscow]

[Text] Regarding our country's media reports that China will provide military assistance to North Korea in case a military collision breaks out on the Korean peninsula, a spokesman for the Chinese Foreign Ministry denied such reports, reported ITAR-TASS in a Beijing-dispatched story.

The Chinese Foreign Ministry spokesman, in a telephone interview with ITAR-TASS, strongly denied such reports by saying that the reports are a absolutely groundless fiction [chonjoguro ssulttae omnun hogurago].

The news agency reported that the spokesman, however, kept silent on reports that a close woman relative of North Korean President Kim Il-song visited Beijing at the end of May and agreed with the Chinese side to receive food and energy if economic sanctions are imposed on North Korea.

Industrial Cooperation With PRC Planned

SK1606011594 Seoul THE KOREA TIMES in English 16 Jun 94 p 8

[By staff reporter Choe Won-sok]

[Text] Korea and China agreed yesterday to set up four subcommittees to strengthen industrial alliances in the fields of automobiles, aircraft, time division exchanges (TDX) and high definition TVs (HDTV).

The four subpanels will hold their inaugural meetings in September but the venues have yet to be decided.

The agreement was reached in the inaugural meeting of the Korea- China Industrial Cooperation Committee held at the Ministry of Trade, Industry and Energy in the Kwachon government office complex.

Minister of Trade, Industry and Energy Kim Chol-su led a 31- member Korean team to the conference, while Wang Zhongyu, Chinese minister of State Economic and Trade Commission, headed his country's 36-member delegation.

Industrial cooperation in the four areas was initially agreed on in the summit talks between President Kim Yong-sam and Chinese Prime Minister Li Peng held in Beijing in March. At the summits it was also decided to set up the Korea-China Industrial Cooperation Committee.

As for cooperation in cars, the two ministers agreed to focus efforts on automotive parts for the time being.

In particular, China requested Korean investment in its development of 30 kind of automotive parts.

On the list are fuel and ignition systems, pistons, filters, drum brakes, steering systems, shock absorbers, air conditioner compressors, air bags, door locks, motors, auto lamps and special bearings.

In the field of TDX digital switching systems, the two ministers concurred on the necessity of expanding the Chinese communications network through a Korean-Chinese joint venture in Shandong which is now manufacturing small-sized systems capable of handling 2,000-3,000 phone lines.

Wang promised that his country will help Korean companies take part in the construction of a communications network in the province of Hunan.

In the case of aircraft, the two ministers agreed to equally share expenses in the development and manufacture of medium-sized planes with some 100 seats in accordance with a memorandum on bilateral cooperation in the development of commercial aircraft signed in Seoul June 6.

Korea and China will consider allowing third countries to take part in the project in case they have high tech which is not available to them.

The two countries will jointly conduct a market survey as soon as possible to choose an appropriate model to be developed.

With regards to HDTVs, the two ministers agreed in principle to jointly develop and manufacture them. But they decided to collaborate from the research stage over what type of HDTVs they will develop as the world is still undecided about type.

To substantiate cooperation, Korean and Chinese HDTV experts will gather in a workshop to be held in October, probably in Seoul.

In the meantime, Korea and China agreed to pursue industrial alliances in natural resources and electricity in additions to the four areas and expand exchanges of industrial specialists as well.

Government Invited To CSCE Meeting in Budapest

SK1606092494 Seoul YONHAP in English 0626 GMT 16 Jun 94

[Text] Seoul, June 16 (YONHAP)—South Korea has been invited to a summit of the Conference on Security and Cooperation in Europe (CSCE) opening in Budapest this December, the Foreign Ministry announced Thursday.

Ministry officials said it has yet to be decided whether President Kim Yong-sam will attend the summit.

A senior CSCE officials' committee in Prague Wednesday unanimously approved inviting South Korea to attend and make a contribution, the ministry said.

The summit is scheduled for Dec. 5-6 in Budapest.

South Korea is the second non-member to be invited to a conference meeting after Japan, which participated in the Helsinki summit in 1992.

The 52-member CSCE does not hold annual summits, but officials here predicted that the top-level conference will eventually be regularized.

Seoul is a strong advocate of creating a regional security dialogue forum in Northeast Asia, and taking part in the CSCE meeting will provide know-how on the mechanisms and operation of such dialogue, ministry officials said.

Former Minister Named 'Special' Ambassador

SK1606061394 Seoul YONHAP in English 0545 GMT 16 Jun 94

[Text] Seoul, June 16 (YONHAP)—Former Vice Foreign Minister Hong Sun-yong was reinstated to the ministry as special grade one ambassador-at-large Thursday.

Hong, who served as ambassador to the former Soviet Union, was replaced last month. He is expected to tour South America as South Korea's special envoy from next month.

Ruling Party Discusses DPRK With Ministers

SK1506021894 Seoul KBS-1 Radio Network in Korean 0103 GMT 15 Jun 94

[Text] The Democratic Liberal Party [DLP] urged the government to reconsider [chaegomto] the Joint Declaration on the Denuclearization of the Korean peninsula if non-implementation continues.

Some 250 lawmakers of the DLP and of district party chapters held a series of meetings today in presence of Foreign Minister Han Sung- chu and Defense Minister Yi Pyong-tae to seek measures to actively cope with [nungdongjoguro taechohanun panganul mosaek] the North Korean nuclear issue that is becoming increasingly strained with each day [nallo kinbakhaejyo kago innun].

While reading a report entitled "Our Party's Basic Position on the North Korean Nuclear Issue," the DLP lawmakers and chairmen of party chapters said that the North Korea's ambition [yayok] to develop nuclear weapons is a serious challenge [chungdaehan tojon] that threatens the peace and security of the Korean peninsula, and stressed that it can never be allowed.

DLP Demand on Denuclearization Analyzed

SK1606062394 Seoul CHOSON ILBO in Korean 16 Jun 94 p 4

[Article by Kim Min-pae: "Why Does the Democratic Liberal Party Call For Reconsideration of the Denuclearization Declaration on the Korean Peninsula?"]

[Text] In a statement released during a meeting of its lawmakers and district chapter chairmen on 15 June, the Democratic Liberal Party [DLP] demanded that "the government reconsider the denuclearization declaration on the Korean peninsula." This attracts the people's attention.

The DLP, as a ruling party, has called upon the government to reconsider the denuclearization declaration on the Korean peninsula "only if it is not observed." It is very significant, because the DLP, of the same family of the government, has urged it to reconsider the declaration and to independently formulate steps to deal with it.

This is not the first time the DLP has made such remarks. Figures—who believed that to play the game with Kim Il-song, an atmosphere for negotiations will never be created if North Korea is not cornered—have demanded that the North-South denuclearization declaration be reconsidered. During a parliamentary inquiry in the meeting of National Assembly Foreign Affairs and Defense Committee, Yi Se-ki, chairman of the party Policy Committee, and lawmakers Hwang Myong-su and Pak Chong-su have also called for its reconsideration. Many lawmakers seem to have the same feeling as the above-mentioned lawmakers.

The reconsideration of the denuclearization declaration means the revision of "the denuclearization declaration on the Korean peninsula" agreed upon by the North and South during talks in Panmunjom on 31 December 1991. We have observed this agreement, while North Korea has ignored it by maintaining a radiochemical laboratory in Yongbyon and extracting plutonium from there. They ask: How can South Korea abide by it under these circumstances? North Korea consistently moves forward with its nuclear development program, while the denuclearization declaration on the Korean peninsula has only fettered our nuclear sovereignty [haekchugwon]. They said, therefore, that its reconsideration is indispensable.

The government's official position regarding this is that "the denuclearization declaration on the Korean peninsula must be maintained." During a parliamentary inquiry last year, Science and Technology Minister Kim Si-chung hinted at the possibility of its reconsideration. He was criticized by people after he made such remarks and, thereby, retracted them. If the government officially decides on its position regarding the need for its reconsideration, it will face difficulties in urging North Korea to abandon its nuclear development program, as well as to accept nuclear inspections. Also, big problems can be created in relations with the United States, which has pursued the denuclearization declaration on the Korean peninsula.

Then, why does the DLP call for it? The figures who have called for its reconsideration said: "This is because we can effectively use the card, the reconsideration of the denuclearization declaration, to exert more pressure against North Korea in dealing with Kim Il-song." In other words, this is another card to induce North Korea to the negotiations table.

Along with this, the DLP demand includes a message to the United States.

* Foreign Minister Han's Nuclear Policy Viewed

942C00117A Seoul MAL in Korean May 94 pp 53-57

[By MUNHWA ILBO reporter Kim Chae-mok]

[Excerpts] [passage omitted] Assuming his post with the birth of the Kim Yong-sam administration, Foreign Minister Han Sung-chu faced his greatest challenge as minister from the middle of last March through early April. To put it more precisely, from 17 through 31 March, when the results of the International Atomic Energy Agency's (IAEA) nuclear inspection of North Korea [NK] were officially announced to be "unsatisfactory," and when the United Nation's Security Council, with China participating, adopted a statement on the NK nuclear issue, Minister Han truly seemed to be treading on thin ice. It was not difficult to read the sense of crisis from his facial expressions and manner of speech. [passage omitted]

On 17 March, the Ministry of Foreign Affairs [MOFA] [passage omitted] reiterated its established position, "If NK satisfactorily accepts IAEA nuclear inspections—an item in its agreement with the United States, and if there is progress in working-level contact for a North-South exchange of special envoys, the opening of a third round of U.S.-NK talks could be realized. However, if there is no change in the NK attitude, the South Korea [SK]-U.S. response cannot help but enter into a "new stage." Here, of course, a new stage of the NK nuclear issue refers to a situation in which hard-line actions, such as referring the NK nuclear issue to the UN Security Council, would be taken.

However, this MOFA position seemed to disappear with one "hard-line" statement given on this day at 5:00 PM by Kim Sam-hun, Ambassador for Nuclear Affairs. "As for the government, it has worked with a fundamental objective of resolving the NK nuclear issue through dialog. However, NK refused inspection of indoor nuclear facilities at its Yongbyon radiochemical laboratory, despite its agreement on February 15th with the IAEA on inspection scope and procedures," said Ambassador Kim in a press conference he called. "We now have strong doubts about whether to continue efforts to resolve the problem through dialog," Kim continued, "I have made clear the position that if efforts at dialog fail repeatedly in the future, 'all possible alternatives' would be considered." And he said that "we are asking ourselves maybe that time has come." Thus he repeatedly made strong statements, signifying things were entering into a stage in which sanctions would be taken, such as referring the issue to the United nation's Security Council [UNSC].

Of course, these strong statements by Ambassador Kim were not his own decision. In a meeting with reporters on same day at about 9:40 PM, he showed a calm position, "there has been no change in our principal position, that we will continue to have dialog as long as possible, but if things don't work out in spite of this, we will have no choice but to enter a new stage, such as referring the issue to the UNSC. We will be watching the outcome of the special session of the IAEA Board of Governors scheduled for March 21st."

Then, who caused this "sudden change" in our position? Primarily, it was Kim's direct superior, Minister Han Sung-chu—Ambassador Kim also plays the role of special aid to Minister Han. Han seemed to be the person who put the final touches on Kim's statement, then why did Han give Kim such instructions to change it for the press conference? This leaves us with the question: who was it that moved Minister Han?

At about 3:00 PM on this day, Minister Han had a phone conversation with chief of Blue House [Presidential office] Secreatry for Foreign and National Security, Chong Chong-uk. Originally, Chief Chong had visited the Unification Board at about 11:00 AM, and immediately after a meeting with Deputy Prime Minister Yi Yong-tok tried to meet with Minister Han. At that time, however, Han was in the middle of a meeting with U.S. Deputy Defense Secretary Weisner. Failing to meet Minister Han, Chief Chong conveyed the Blue House's position with a telephone call. "The content of the Foreign Ministry statement is too weak. In the present circumstances, isn't a stronger message to NK needed? I think it would be good for the minister to hold a press conference directly and show a strong response," requested Chief Chong. It has not been confirmed whether Chief Chong stressed that this position was the intention of President Kim Yong-sam. It is not difficult to surmise that Minister Han did not feel good about Chong's statement. Afterwards, it has been said that, as if judging that he could not opposed the will of the Blue House head on, Minister Han called on Ambassador Kim Sam-hun and had him hold the press conference in his place. Ultimately, the hard-line mood of Chief Chong and others in the Blue House was the source of this day's "mixed-up announcement" by the Foreign Ministry.

Here, some in the media, such as the "Chosun Ilbo," through editorials, etc., in their 18 March edition characterized the Han-centered nuclear diplomacy of the last year as a failure, even calling for the complete replacement of the nuclear-diplomacy team.

With the situation like this, it appears Minister Han could not help but be tense. As if having reached some decision, Minister Han sent notification to the press center through a spokesperson that he would be holding a press conference on the afternoon of the 18th. For informal press-conference-type meetings between the foreign minister and reporters, notification was normally given at least one or two days in advance. So as news of the Han press conference on this day become know immediately after lunch, the press room suddenly grew tense. Stories even went out that Minister Han might be going to express an intention to take responsibility and resign. The reporters moved busily, preparing against all possible situations, such as reporting to their main offices and calling for camera crews.

However, going to the press room at about 2:20 PM, as soon as Minister Han took his seat, he began the session with a "pointed joke," "My first reason for meeting with you today is to show you that I still have my job." [passage omitted] The stress in his face was so clear as to give one a sense of tragic heroism, even the reporters listened somberly." Han said "the present situation of the NK nuclear issue are as we had original thought out in our road map. It will be fortunate if it is resolved well, but we have already clarified repeatedly that if it is not, we would show a new response. It is a fact of which we have also notified the other side, NK. The question is whether this is the time for a new response. That right now is not the moment is the only thing that is clear. However, with an understanding that the time is drawing near, there was a need to give a stronger response." Up to this point, he sound as if he were rationalizing the strong-response policy, such as referring the issue to the Security Council, elucidate the day before by Ambassador Kim on his orders.

However, the words Minister Han really wanted to say continued at the end. "It is true we were unable to realize the objective of our road map of 'resolving the NK nuclear issue.' However, for the next objective (economic sanctions) we must get the support of China and other member nations of the Security Council. We needed to show the IAEA as well as China and other members of the Security Council that we have exhausted all possible means of dialog." This was a strong objection to the criticism of some concerning Minister Han, that, although efforts at dialog brought no resolution of the nuclear issue, his diplomacy was not one producing "no real results," in a word, that it was not the mere extension of a meaningless nuclear diplomacy his critics claim it to be. Negotiation and dialog are needed for the peaceful resolution of the nuclear issue, and if a peaceful resolution should fail, then dialog will also be needed for a coercive resolution through the sanctions of the international community against NK, he says. To put it another way, dialog, while a means of peaceful resolution, is at the same time a lever for acquiring a justification in preparation against the event there is no change in the NK attitude.

Minister Han's opinions continued. "NK has been earning time, but in the last year or so, has it obtained money or oil?" he countered, stating bluntly, "U.S. satellite intelligence, the analysis of the IAEA inspection team, Deputy Defense Secretary Weisner whom I had a meeting yesterday, and U.S. Secretary of State Christopher with whom I spoke on the phone, all agree that there is no clear evidence that NK improved its nuclear-development technology or made new attempts at developing nuclear [weapons] during the last year or so, nor does it appear that they did." During the last year or so, NK probably only gained a more severe sense of isolation from the international community, he added.

Minister Han continued, "We must question whether, apart from 'continuing dialog and turning the issue over to the UNSC when this does not work,' there could have been other methods we could have used for resolving the NK nuclear issue during the last year or so." "The trend of the times is to immediately draw hasty conclusions about success and failure. But there can be some problems which cannot be solved, no matter who adopts what means. The NK nuclear issue is just such a problem," he stressed strongly.

Given the mood of the IAEA, referral of the NK nuclear issue to the UNSC is now unavoidable; this is a movement of the international community which we cannot stop, concluded Han. However, he also pointed out in detail the dangers of the materialization of UNSC sanctions. In the event the UNSC decides on sanctions, any form of NK nuclear inspection whatsoever will become unlikely; it is unknown when and in what form unpredictable NK might take some unexpected actions; negotiations and dialog would be cut off; and it is inevitable that the initiative of both SK and the U.S. concerning the NK nuclear issue would be comparatively reduced. "Resolution of the NK nuclear issue is in stopping in advance the possibility of a NK provocation, which might take place five to ten years from now. It's not like Hitler's armies are going to be invading now," he said, asking, "Is there really a need for us to incite the provocation of NK?"

These ideas of Minister Han have the character of a refutation of the criticism of some that the NK nuclear issue should have been referred to the Security Council earlier, and at the same time seem to be saying that efforts at finding a solution through dialog must be continued in the early stages after the issue is handed over to the UNSC and before concrete sanctions are adopted.

His ideas of resolution through dialog were repeatedly stressed even on March 22nd, the day after the IAEA Board of Governors decided to refer the issue to the Security Council. Saying, "The Security Council's NK sanctions or resolution calling for inspections are, on the one hand, for pressuring NK into accepting nuclear sanctions, and on the other hand, for making NK draw its own conclusion that reaching a resolution through dialog would be better than having sanctions placed on it," he made it clear that it was a "Security Council discussion for inducing dialog."

Going one step further, Minister Han, as if taking aim at the hard-line forces opposing his resolution through dialog, said, "The nature of the NK nuclear issue is not keeping someone from doing something, but making someone do something. In this sense, it can be compared to pulling a calf out of a vegetable garden." "Because if you try to drag the calf out by beating it, it's easy to end up ruining the garden, you have to pull it out by giving it a carrot and soothing it," he said.

It is a fact that this theory of Minister Han's, that fundamentally the NK nuclear issue must be solved by placating NK, has run up against the opposition of senior, policy decision makers in government ministries, such as Blue House, Unification Board, Ministry of National Defense [MND], Agency for National Security Planning [NSP], and most scholars of international politics.

At what point, then, does Minister Han actually differ from what policy decision makers?

The Blue House Secretary General Pak Kwan-yong, Secretary of foreign and National Security Affairs Chong Chong-uk and Secretary of Unification Affairs Chong Se-hyon belong to the group called, "hard-line forces." Almost all officials below Deputy Prime Minister Yi Yong-tok of the Unification Board have argued for a strong response. Only Ku Pon-tae, Chief of the North-South Dialog Executive Office, has usually stressed a flexible response. He is classified as an exception within the Unification Board.

The MND has an "inborn" tendency to raise a strong voice. Both hard-line and moderate positions are reported to exist within the NSP. Particularly, in late

March when Minister Han had the whole world against him, NSP moderates helped him as much as they could, reports one senior government official.

However, although positions are commonly classified as hard-line and moderate for convenience, those concerned are not too happy about being called hard-line or moderate. Minister Han says of himself, "I'm neither hard-line nor moderate, but a realist." Secretary Pak, Chief Chong and others within the Blue House strongly object to being labeled hard-liners. Who would not want to resolve the issue through dialog, they ask. It is only that there are some differences of opinion concerning ways of responding, depending on each situation, they say.

"If there is a difference in understanding between Minister Han and other diplomatic and security policy makers, it is that senior officials outside the MOFA are all displeased with Minister Han's "talking too much and showing too often and too many carrots as a card to play against NK," this source added. "Persons who are displeased with Minister Han and his tactical operation, and who are putting the brakes on it, also agree that the actual time to use the carrot toward NK must be after nuclear security has been secured," he said, "They only have mutual differing opinions on when to use the carrot with NK."

Putting together what this source said, there are no differences of opinion within the present administration's diplomacy and security team on strategy for resolving the NK nuclear issue; there are only some differences of perspective on the tactical operation of negotiations, dialog, and pressure. That is, the side which believes that in the event NK does not show sincerity in trying to resolve the nuclear issue and sticks to its attitude of refusing inspections, etc., strong pressure must be applied in order to bring a change of attitude are the so-called hard-liners; the officials of the Foreign Ministry symbolized by Minister Han believe that rather than pressure, the North must be given justification for participation in order to promote dialog.

However, Minister Han does not agree with the criticism about him that he talks too much and stresses dialog at a time when pressure must be applied. Han believes that we have nothing to loose by first providing NK with justification to enable it to respond to dialog. This means that if this effort at dialog to the last moment is successful, things could not be better; but even if it fails, then we can proceed to the next stage, extending our sympathy to the sanctions mood of the international community.

Some figures representative of those outside the administration classified as hard-liners are DLP lawmakers No Chae-pong and An Mu-hyok and many in the academic community. Their positions are generally follow the thinking below.

"We have now reached the stage to implement a coercive diplomacy against NK. For the success of coercive diplomacy, we must send them a message that our will to prevent NK from making a nuclear weapon is stronger than its motivation to do so, and must make it credible. Although we have demanded nuclear inspections of NK, we have hesitated to set a time restriction as a final communication to make NK comply with this. Even concerning NK noncompliance, we have committed the error of trying to entice NK with a carrot rather than punishing it."

Even if this difference of perspective is one of understanding concerning tactical operations for enticing NK to dialog, not a gap at the strategic level, its causes and effects are in reality very great. To put it another way, the debate over whether pressure or providing a justification for dialog would be more effective in breaking through the NK nuclear impasse, bringing dialog and negotiations, appears to be due to fundamental differences in the parties' views of NK.

Minister Han's view of NK is designated either the courteous "Older Brother Theory," which says to embrace NK, or the "Non-zero Sum Game Theory," which says that NK's gain is not necessarily our loss. His metaphors given in a press conference last February 28 accurately show his view of NK.

"The younger brother (NK) comes into the room holding a hand grenade (nuclear weapon), insisting he will not talk with his older brother (SK). However, he says he can talk with the old man next door (the U.S.), come out of the room and hand over the grenade, and threatens to explode the grenade if the older brother calls the police (UN or power of the international community). From the older brother's point of view, should he really call the police at this time? I mean, even though it is obvious that, although all the police would have to do is conduct one operation, the house would be wasted."

However, the Blue House and other hard-line forces' view of NK, that only coercive diplomacy can bring NK to dialog, is different.

"We in no way want a war. Because we would have to pay too high a price. However, at the time of the Panmunjom Axe Murder Incident in 1976, when ROK-U.S. Combined Forces made a strong display of military force and threatened to turn Kaesong into rubble, the North held up the white flag and Kim Il-song apologized. For the resolution of the NK nuclear issue as well, we must display our power through close military cooperation between SK and the U.S. If we continue to be dragged about by North Korean strategy as we are now, not only we will be wasting our time but give time NK need to complete a nuclear-weapons system capable of threatening us. Thus, in order to prevent a catastrophe on the Korean peninsula, we must have our resolute policy of strength and determination."

Ten Charged With Violating Security Law

SK1606110694 Seoul YONHAP in English 1007 GMT 16 Jun 94

[Text] Seoul, June 16 (YONHAP)—The Agency for National Security Planning (NSP) announced on Thursday it had rounded up 10 poeple suspected of having formed an underground organization of the North Korean Workers' (Communist) Party.

The agency said the ten persons, charged with violating the National Security Law, were led by An Chae-ku, age 61, a lecturer at Kyonghee University.

An was previouly arrested in October 1979 and was given a life term for his involvement in the case of "Namminjon" or the "South Korean Front for National Liberation." He was released in a special parole in December 1988.

His colleagues arrested included Chong Hwa-yo, 30, chief editor of Hanbaek Planning Co.; Hong Chung-hui, 37, head of the Wonju Labor Training Institute; Yu Nak-chin, 66, a calligrapher and former North Korean agent; and Pak Nae-kun, 42, head of the Ilsin Foreign Language Institute in Suwon.

The announcement said An set up the underground organization at the instructions of North Korea after he was won over in May 1991 by a visiting North Korean operative active in Japan who was identified only as a "Paek" aged 58.

He received an operation fund of 10 million won from Paek and joined the Workers' Party. An then recruited co-workers and set up the "Kukuk Chonwi" or "Front for National Salvation" in January 1993, the agency said.

A number of evidential materials such as the organization's statute, a congratulatory message from North Korea, copies of reports to North Korea and a short-wave radio were collected through searches of his home at Kalhyon-tong and private office at Taehung- tong in Seoul last June 14, it said.

Defense Ministry Streamlining Support System

SK1606091594 Seoul CHUNGANG ILBO in Korean 16 Jun 94 p 2

[Article by reporter Kim Hyon-ik]

[Text] In preparation for an all-out North Korean provocation against the South, the Defense Ministry authorities decided to complete the maintenance and supplementation of the combined ROK-U.S. munitions support system for the U.S. reinforcement forces by the end of July.

The Defense Ministry authorities intends to officially sign with the United States in September an overall munitions support agreement on the storage, support, and cost sharing for the 12 areas of major strategic materials, including ammunition and communications, and to include it in writing in the Wartime Host Nation's Support Agreement [WHNS] signed between the ROK and the United States in 1991, after getting approval of the National Assembly.

The WHNS stipulates military and civilian support for the U.S. reinforcement forces to be deployed on the Korean peninsula in case of emergency, and the U.S. side is stockpiling up-to-date military equipment, including new-type ammunition, in advance.

A senior government military official on 16 June said, "We are checking and supplementing this plan in order to smoothly supply military supplies, such as ammunition and weapons, in case a war drags on."

The government official said that this comprehensive and systematic munitions support plan will also comprise the plan to enhance the capacity to mobilize the defense industry and the organic cooperation between the ROK-U.S. Combined Forces and the 2d ROK Army which is not under the control of the Combined Forces.

Defense Ministry Plans To Give Daily Briefing

SK1606023894 Seoul YONHAP in English 0231 GMT 16 Jun 94

[Text] Seoul, June 16 (YONHAP)—The Defense Ministry said Thursday it will hold a daily press briefing to keep ordinary citizens abreast of the military situation and help dispel public anxiety. The daily press briefings will continue until the current crisis is resolved, officials said.

Daily Reports 'Hoarding' by Residents

SK1606005694 Seoul THE KOREA TIMES in English 16 Jun 94 p 3

[By staff reporter Sim Chae-yun]

[Text] Criticism is mounting over some citizen's rash and thoughtless action of hoarding provisions against a possible war amid mounting tension over the North Korean nuclear issue.

Military experts said such reckless acts would only aggravate the situation eventually by dancing to the North Korean tune of psychological warfare.

They said such emergency buying is quite unnecessary because the North's military preparations for invasion would be detectable at least three months in advance.

Some people, mainly in wealthy apartment complexes in Kangnam, south of the Han River, began showing a keen sense of insecurity this week in sharp contrast to their earlier lack of concern about national security.

Such a drastic change of attitude was apparently nudged by the ever-intensifying North Korean stance over the nuclear issues highlighting withdrawal from the International Atomic Energy Agency (IAEA).

Following the reports on the hawkish policy of the North, lots of people rushed to supermarkets and other stores to buy such contingency provisions as ramyon (fried instant noodles), rice, butane gas and medicines.

At the Grand Department Store in Taechi-tong, Kangnam-ku, all 660 20-kg packs of rice in the store were sold out Tuesday, compared with an average daily sale of 160 packs. Residents in the region had to form long lines to buy such daily necessities as flour, canned food, canned gases and candlesticks etc.

A similar phenomenon took place in other department stores in Sanggye-tong in northern Seoul and Sinchon, north of the Han River.

Small stores are also enjoying profits from a remarkable increase in sales of such contingency necessities as candles, matches, batteries, wooden chopsticks and soap.

In an attempt to hang on to as much cash as possible, most buyers paid with credit cards.

Nhongshim Corp., one of the largest ramyon makers, said it began producing 30 percent more ramyon than average a day since this week.

The Bank of Korea also started to issue more cash than in ordinary time—49.3 billion won (61 million dollars) on June 10, 42.8 billion won the next day and 57.4 billion won Monday.

The spread of a sense of instability is also seen in the increase in the number of people applying for visas for foreign tours.

A travel agency official said that the application increased by 30 percent this week, adding, "Most of their planned trips seemed not to have special purposes."

Military experts said there is no need for the people to buy a large amount of provisions because during wartime they would be moved to public places like schools for safety and daily necessities will be rationed.

They said the current buying spree among some people would be of no use if hostilities were to occur, but would only cause panic among the people.

Firms Increase Wages in 1994 Negotiations

SK1606052594 Seoul YONHAP in English 0247 GMT 16 Jun 94

[Text] Seoul, June 16 (YONHAP)—More than half of Korean businesses with 100 or more workers had completed labor-management wage negotiations as of Wednesday, showing a higher rate of settlement than last year, the Labor Ministry said Thursday.

The ministry reviewed wage negotiations at the 5,483 businesses with 100 or more employees across the nation and found that labor and management at 2,761 firms, about 50.4 percent, had agreed on pay hikes for this year. The rate compares with the 39.3 percent recorded for the same period last year. The negotiation settlement rate reached 50 percent on June 28 last year.

The average wage increase at businesses which have settled negotiations was 6.5 percent, a bit higher than last year's 5.2 percent. The rise was attributed mainly to the relatively higher commodity prices earlier this year and the overall business recovery, according to ministry officials.

Of the large business groups, Samsung showed the highest rate of settlement with 30 of its 35 subsidiaries, about 85.7 percent, having reached agreement, followed by Lucky-Goldstar with 66.7 percent of its businesses wrapping up pay negotiations.

The ministry expected that wage negotiations will be concluded earlier this year than in 1993, although some automobile and shipbuilding firms have reported disputes to the ministry after failing to conclude a settlement.

* Government Plans To Transfer Tasks

[Editorial Report] Seoul TONG-A ILBO on 23 May reported on page 2 that with the local election date set for 27 June 1995, the government is planning to transfer over 500 responsibilities to local governments. The government believes this will accelerate local autonomy. These tasks concern regional matters, including issues such as public welfare, revitalization of the economy, local transportation and roads, promotion of agriculture, and boosting local customs and culture. The government is sending two information-gathering teams to 15 cities in May and a final decision will be announced in December.

* Government Condemned for 'Media Control'

942C00124A Seoul HANGYORE SINMUN in Korean 14 May 94 p 3

[Text] We are now witnessing a relationship between those in power and the media, so difficult to understand, that common sense would have one believe we have returned to the dark tunnel of past authoritarian times. One example is the suit for the incredible sum of 2 billion won against *Hangyore Sinmun*. It was published in an article on the disclosure made in a press interview by Chong Chae-chung—who alleged the president's son, Kim Hyon-chol, said that he was involved in the bribery scandal involving the lobbying money of an unlicensed oriental-medicines company. This was at the time of the 14th presidential election.

Citizens from all walks of life uniformly applaudeding the courage of *Hangyore Sinmum* by giving statements, calling, or visiting the newspaper company, and criticizing this irrational attack on the press is also reminiscent of the atmosphere of society during the past era of authoritarianism. The "stubborn silence" of others in the media—who had been raising their voices on various events, but had to take care concerning this incident—also resembled the media of the past, ever servile before the powerful.

Through an editorial about the lobbying-money scandal involving the government and the center of power, *Hangyore Sinmun* has already pointed out the excessive abuse of power and immorality shown by this response. To reiterate, the first thing the Blue House should do concerning this incident is to reveal the truth sincerely and in detail, apologize for what it should be sorry for, and punish those who deserve it. Yet, the response of those in power, at least in the eyes of the public, has been to make economic threats and force the one who made the revelation to withdraw it. This is done by bringing criminal charges against the one who divulged the scandal, by applying "pressure" to the media not to report the information made public through an interview, and, concerning *Hangyore Sinmun's* report of this, by filing a suit for an outrageous amount.

Given this situation, no matter what words the Blue House mobilizes to explain itself, it will not be able to convince the public. According to the public's understanding of this incident, when Chong Chae-chung, just an ordinary man, stood against the powerful, criticizing the president's son, who is reported to have great political influence, he would not have told groundless lies.

Holding an emergency joint meeting of the Seoul-Area Press Labor Union Chairmen's Group [Ollonsa Nojowiwonjangdan] last December, the National Alliance of Press Labor Unions [Chonguk Ollon Nodong Chohap Yonmaeng] [NAPLU] characterized the suit by Kim Hyon-chol as a "new media-control measure," and decided to oppose this head-on. This was a natural decision made out of deep concern for the arrogant posture of those in power and for a [possible] return to the government-media relationship of the past. The NAPLU announced that it would set out on a reporter-petition drive, demanding a Blue House explanation of the political-funding bribery incident and an end to the oppression of the media. The question of to what extent the labor union chairmen who made this decision and the reporters responding to the petition drive will be able to return each to their respective companies and realize the purpose of this resolution through the printed page will become the standard for measuring where we in the press now stand. The unified might of the media is truly a powerful weapon for beating back the oppression of the media by those in power and is the most certain ally of the true democratization and genuine reform of society.

Brunei, Malaysia & Singapore

Malaysia

Mahathir Promises To Counter U.S. Opposition

BK1506143594 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 15 Jun 94

[Text] Datuk Sri Dr. Mahathir Mohamed said Malaysia will make the necessary moves to overcome United States opposition to the establishment of the EAEC [East Asia Economic Caucus].

A U.S. Embassy official in Tokyo reportedly presented to the Japanese Government on 7 June a report stating Washington's opposition to the establishment of EAEC because it could cause a negative impact on the Asia-Pacific Economic Cooperation, APEC. This is the first time that the Clinton administration has issued a clear signal that it opposes the setting up of the EAEC. Prior to this, the administration embarked on a wait-and-see attitude.

Speaking to newsmen after witnessing the signing of two agreements involving the transfer of waste water treatment technology to Thailand and Iran, the prime minister confirmed that this was Washington's official stand regarding EAEC.

Regarding Japan, which has yet to articulate its stand on the EAEC, Dr. Mahathir said the government will continue to make clarifications so that the country accepts the establishment of the caucus.

UK Clarification Sought on Action

BK1506133394 Kuala Lumpur BERITA HARIAN in Malay 9 Jun 94 p 2

[Text] Kuala Lumpur, Wednesday—The Ministry of Foreign Affairs will seek a clarification from the British Foreign Office over British Trade Minister Richard Needham's remarks that Britain may take retaliatory action against Malaysia over the freezing of new government contracts for British companies.

Acting Foreign Minister Datuk Abu Hassan Omar said the cabinet will discuss the remarks only after obtaining the clarification from the British Government.

"At this point, the government has no plan to issue any statement and will wait until the Ministry of Foreign Affairs seeks the British clarification, including on the authenticity of the source of this news report," he said during a news conference here today.

The REUTERS report carried by several newspapers here today quoted Needham as saying that British Prime Minister John Major will be under pressure to retaliate if Malaysia continues the sanctions.

"The longer they leave it, the more likelihood there is of retaliation by the British side. The longer it goes on, the more voices will be raised against it," REUTERS quoted Needham as saying.

Malaysia froze the awarding of new government contracts to British companies after the British media slandered government leaders, including Prime Minister Datuk Sri Dr. Mahathir Mohamed.

The British leaders have ever since been divided over the matter, although not a few of them have blamed their media for it.

Needham left for home yesterday after concluding his second visit in two weeks to the country. Needham, who led a delegation of private British investors and companies, met several national leaders during the visit.

Commenting on Needham's statement that the sanction may be lifted within six weeks, Abu Hassan said the government has not issued any decision.

"We do not reject private British companies, especially those involved in technology transfer. However, they must respect the government's stance," he said.

Commenting on Britain's readiness to help Malaysia counter pressure on the generalized system of preferences [GSP] by increasing trade with the European Union, Abu Hassan said the government welcomed any proposals that could increase the country's trade.

"However, this should not be used as a reason for Malaysia to lift sanctions against Britain. The two issues are entirely different," he said.

Two Thai Fishing Boats, Fishermen Detained

BK1606090994 Kuala Lumpur NEW STRAITS TIMES in English 15 Jun 94 p 11

[Text] Bachok, Tues.—Fisheries enforcement officials detained two Thai fishing boats and seized weapons, including a revolver, a pump gun, and 153 rounds of ammunition about 26 nautical miles from Pantai Bachok at 7.40am today.

Fisheries Director General Datuk Shahrom Abdul Majid said the weapons were found on board one of the boats.

"We also found two dogs on the boat " he added.

He said 19 Thai fishermen, between 17 and 4 years, from the boats were being detained at the Bachok Police Station for questioning.

He said it was the first case where firearms were found on foreign fishing boats caught for encroaching on Malaysian territorial waters.

He said the fishermen would be charged with fishing illegally in the exclusive economic zone and for possession of firearms.

Official: Plan To Woo Scientists 'Ready'

BK1606095394 Kuala Lumpur BERNAMA in English 0605 GMT 16 Jun 94

[Text] Kuala Lumpur, June 16 (OANA-BERNAMA)—The paper on proposals to attract foreign and Malaysian scientists and engineers working abroad to the country is ready and awaiting approval from the relevant government agencies, Science, Technology and Environment Minister Law Hieng Ding said Thursday.

He said the working committee, headed by his deputy, Peter Chin, had finalised the paper recently and was waiting for government agencies such as the Public Services Department and Treasury to endorse it before presenting it to the cabinet for final approval.

The scheme was meant to meet the country's needs for scientists and engineers to fulfil its plan to be an industrialised nation by the year 2020, he told reporters after opening an exhibition on the beauty of nature at the National Museum here.

Law said that the incentive package, among others, offered the target group salaries comparable to that offered by other countries with fringe benefits including permanent resident status, if necessary.

Airline Signs Tripartite Agreement

BK1506114094 Kuala Lumpur Voice of Malaysia in English 0800 GMT 15 Jun 94

[Text] Malaysia Airlines [MAS] has entered into a tripartite alliance with Malaysian Helicopter Services and World Airways Incorporated to expand its fast-growing international cargo services business. Several agreements signed today between the parties would enable MAS to purchase cargo (?safes) and expand its business in the main markets of Europe, the United States, and the high-growth Asia-Pacific region beginning the 19th of this month.

MAS deputy managing director for marketing, Baharuddin Nordin, said the carrier would be able to tap the intra-European freight market centering around Frankfurt, Amsterdam, Zurich, Paris, and Brussels. It will also provide a direct link between Penang and Los Angeles and cater for electronic exports which are ballooning. This is evident by the 33 billion ringgit [Malaysian currency] in Malaysia's exports of the products in the January-September 1993 period.

Meanwhile, Malaysia Airlines success in organizing annual haj pilgrimages to Mecca for thousands of Muslims has caught the eye of World Airways Incorporated. The Washington-based airline is now keen to organize pilgrimages for the growing Muslim population in America and China. World Airways executive vice president Encik [Mr.] Ahmad K. Khatib said in Kuala Lumpur that Malaysia had done exceptionally well in this area and the airway wants to emulate it, for it is not easy to organize flights for thousands of pilgrims. He said this to newsmen after a tripartite signing agreement beetween MAS, Malaysian Helicopter Services [MHS] and World Airways which will enable MAS to expand its international cargo business. MHS has a 24.9 percent stake in World Airways.

MHS executive director Wan Malik Ibrahim said World Airways could utilize the linkages Malaysia has developed with China to tap into the country's Muslim population which is said to be larger than the Muslim population in Malaysia.

Cambodia

Ministry Says US Deal Facing 'Problems'

BK1506105394 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 13-14 Jun 94 p 4

[Text] An official of the Ministry of Industry, Mines, and Energy revealed recently that Intercore, an American investment company dealing in electricity which has signed an agreement on a project to build a 100-megawatt electric plant in Phnom Penh seems to be having problems.

The official said that one and a half months have elapsed since an agreement was signed on construction of an electric plant on 26 April between the company and the Ministry of Industry, Mines, and Energy. But, until now, this big American company has not gotten in touch with the ministry. He added that one week after the official signing ceremony held under the joint chairmanship of the second prime minister and His Excellency Charles Twining, U.S. ambassador, a representative of the American company went to remind the ministry to quickly find a location for the plant so that construction arrangements for the project could be made after a short trip to the United States.

Half of the 90-day initiation period for the American company to start construction has now elapsed. According to the agreement, if nothing is initiated within 90 days after the signing, the agreement is considered worthless.

The ministry has already arranged a plot of land, 10,000 square meters, near the SKD [Cambodian Distillery Plant] for building the plant as requested by the representative.

Another official of the Ministry of Industry, Mines, and Energy revealed that the American company seems to be having problems. He added that the ministry will wait a few more weeks at most before concluding that the company really faces problems if it remains silent.

Roundtables for National Reconciliation Held

KR Refuses Proposed Schedule

BK1506123094 Phnom Penh National Radio of Cambodia Network in Cambodian 1200 GMT 15 Jun 94

[Text] The meeting of the commission on the roundtable for national reconciliation and peace in Cambodia was held energetically at Damnak Chan Pavilion in the Royal Palace.

His Excellency [H.E.] Ung Teaseam, under secretary of state for information, told national and international correspondents at the end of this first meeting that the participants discussed the first issue, that is, a cease-fire. Regarding this issue, the representatives of the Royal Government of Cambodia [RGC] and National Assembly followed His Majesty's idea. To speed up a concrete schedule for the cease-fire, the RGC representatives proposed a starting date of 30 June or earlier.

Meanwhile, the Khmer Rouge [KR] side proposed that a control committee be set up and still refused to accept the proposed schedule.

The roundtable meeting adjourned at 1200 and will resume work tomorrow morning at 0900.

Results of 15 Jun Roundtable

BK1506152494 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 15 Jun 94

[Text] On 15 June, His Excellency [H.E.] Keo Putreaksmei sent a brief report on the result of the 15 June roundtable to His Majesty the King. Here is an excerpt of this report:

This morning's discussion merely turned round and round on the first topic, that is, the cease-fire, and could not move on to the second topic despite the efforts of the party of Democratic Kampuchea [PDK].

1. The cease-fire:

The PDK announced this morning in a statement that it had already replied to His Majesty's request for a yes or no answer, that is, it was most delighted to have a cease-fire. After that, this party proposed the setting up of a committee to discuss how the cease-fire should be observed so that it would not be just a simple cease-fire. This party stressed further that a cease-fire date could not be specified without prior discussion on this matter.

The Royal Government [RG]'s side, through H.E. Yu Hokkri, proposed 30 June 1994, beginning at noon, as the start of the cease- fire and proposed that there should be just an inter-Cambodian committee without any foreigners to control the cease-fire.

2. The minimal policy program:

The RG party avoided discussing this matter, claiming that the king's 12 June message did not require the roundtable to discuss this matter before the first topic in the agenda, that is, the cease-fire.

On its part, the PDK proposed that this minimal policy program be discussed as well, claiming that the two topics have [words indistinct] value and that it had already given the answer concerning the first topic through this morning's statement. This party insisted that the cease-fire [words indistinct] national reconciliation.

The two sides mutually understood the strong and weak points of each other's strategies and hoped that the roundtable would be able to reach a common point of view beneficial to the Cambodian nation and people.

The meeting ended at 1200 in a good atmosphere and will resume on the morning of 16 June.

'No Headway' on Second Day

BK1606071294 Hong Kong AFP in English 0636 GMT 16 Jun 94

[Text] Phnom Penh, June 16 (AFP)—A fresh attempt to negotiate an end to Cambodia's civil war ran into the sands Thursday, as talks between the government and the radical Khmer Rouge made no headway on even fundamental issues, officials said.

"There was no positive result from the meeting," the undersecretary of information, Ing Teasean, said after the second fruitless day of talks.

The meeting was the second round in the bid to end the Khmer Rouge's guerrilla conflict, which has sapped the government that emerged from UN-sponsored elections last year.

Ing Teasean said the Khmer Rouge "still don't accept a proposal for a ceasefire date" set for June 30 by King Norodom Sihanouk. "They are still being evasive."

The Khmer Rouge spokesman, Mak Ben, retorted: "We want a true ceasefire. We shall avoid a ceasefire which cheats one another and misleads national and international public opinion."

Officials said the two approaches were entirely at odds with each other. The government has insisted that Khmer Rouge agree to a truce before it makes a major political concession, by handing cabinet posts to guerrillas deemed "acceptable."

But the guerrillas say the plan is only acceptable provided the new power-sharing arrangement is introduced before the ceasefire.

They are also demanding that the existing government and parliament are scrapped—a position that government officials say would utterly destroy the UN-led process of democratisation.

The Khmer Rouge—blamed for the death of a million Cambodians in a reign of terror in the 1970s—boycotted last year's UN-supervised polls and have since continued a guerrilla struggle against the government installed by the polls.

They control between 10 and 15 percent of the country, and stage hit-and-run raids on towns held by Cambodian armed forces, a ramshackle and poorly equipped alliance of former comrades-in-arms to the Khmer Rouge.

Under King Sihanouk's proposals, the ultra-nationalist guerrillas would surrender the land under their control, and merge their fighters with the Cambodian army.

Few in Phnom Penh were surprised by Thursday's deadlock.

A previous round hosted by King Sihanouk at his residence in North Korea last month also failed to make progress—and on Wednesday, the monarch warned through his representative at the talks, Nhoek Chulong that he would not bother to organise further sessions if there were no headway.

Co-premier Hun Sen said earlier this week that he saw "no hope" for the negotiations and suggested the Khmer Rouge problem could be solved through a combination of social development and military pressure.

DK Delegate Advocates Peace

BK1606045194 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 15 Jun 94

[Address by Chan Youran, leader of the Democratic Kampuchea [DK] delegation at the roundtable meeting in Phnom Penh on 15 June—read by announcer]

[Text] With respect to the samdech [title of Nhoek Chulong, Sihanouk's representative at the meeting] royal representative:

I. Our Democratic Kampuchea delegation attends this meeting of the roundtable commission—which was born of the roundtable meeting under the lofty chairmanship of His Majesty [H.M.] King Norodom Sihanouk in Pyongyang on 27 May—with a profound will to continue the process and efforts to achieve national reconciliation, national union, and genuine peace in Cambodia.

The roundtable is the inspiration of the king, who initiated this with a resolute desire to see the Cambodian motherland achieve national reconciliation, national union, and permanent peace so that all his children can live and earn a living normally.

II. The Party of Democratic Kampuchea [PDK] fully assists and supports the king's astute initiative because national reconciliation and national concord to unite all national forces and genuine and permanent peace in Cambodia are the sacred and profound aspirations of our entire nation and people at home and abroad. The Cambodian nation and people [words indistinct] do not need war. The war of more than a decade has made our nation and people go through great suffering and destruction. Therefore, whatever is making the war continue does not correspond to the interests of our nation and people. All kinds of problems, national and social, which are already serious, will worsen. War brings outside interference and allows foreigners an opportunity to split the nation and fuel the war even more. These are great dangers directly affecting the suvival of our Cambodian nation, people, and race.

As the king has reminded us, war will lead Cambodia to death, peace and national reconciliation will lead us to national survival. The king has shown that the way to save the nation and prevent it from extinction has only one magic formula: national reconciliation and union. As long as there are meetings and discussions, gradual results, be they small or large, will be achieved.

The samdech royal representative:

III. Our PDK delegation is happy with this meeting of the roundtable commission. We agree with the two items on the agenda set up by H.M. King Norodom Sihanouk on 5 June. These are:

1. Discussion of the unconditional, immediate, and permanent cease-fire throughout the country;

2. Discussion of the minimal policy program for national reconciliation and peace.

The two items are due for discussion at this meeting and at subsequent meetings of our roundtable commission because they are topical issues that have to be discussed.

IV. Concerning the item on the cease-fire, H.M. King Norodom Sihanouk has asked for a yes or no reply. Therefore, we would like to express our view on this matter in accordance with the king's question.

We, the PDK, are happy to have a cease-fire. We are happy for a cease-fire, now, we have been in the past, and we will be in the future because the PDK, like the rest of the nation and people, has been the victim. The PDK does not want to wage war and fight. The Cambodian nation and people do not want fighting and war. We want the war to end quickly and we want to achieve national reconciliation and peace quickly. We hold that it is necessary to establish a genuine and permanent cease-fire throughout the nation with proper and adequate control over the commission or technical group to be set up for this purpose.

V. On the minimal policy program, our view is that to achieve national reconciliation in accordance with the profound will and aspiration of our nation and people, all parties ought to compromise and make mutual concessions. We hold that to achieve national reconciliation and national union, all of us ought to have an acceptable basis on which to work together. On this basis, we will discuss together what the PDK should give to the two-prime ministers government and what the latter should give to the PDK.

The samdech royal representative:

VI. We hold that in the past, now, and in the future, all of us should put national reconciliation and national concord above everything else and strive to meet to discuss and gradually achieve results until we reach full achievement.

In this spirit, we would like to propose that our roundtable commission meet once or twice a month from now on.

Finally, we wish for good results from the meeting of our roundtable commission, chaired by the samdech royal representative, to move toward achieving national reconciliation and to rally all Cambodian national forces so that Cambodia has peace and that every Cambodian can live and earn a living peacefully forever.

Commission To Monitor Vietnamese Formed

BK1606054294 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 5 Jun 94

[Statement by "1,150 Cambodian intellectuals, professors, and students" dated 8 June—read by announcer]

[Excerpt] "We, 1,150 intellectuals, professors, and students in Phnom Penh would like to announce the establishment of the Provisional National Commission to check Vietnamese nationals who are spreading throughout and annexing Cambodian territory, and appeal to all compatriots to join this commission in great numbers so that we can examine the issue of the Vietnamese aggressors and discuss further measures to solve the problem."

[Passage omitted reviewing movement of Vietnamese nationals into Cambodia and blaming Vietnam and its surrogates for creating this problem]

Indonesia

Suharto 'Concerned' Over Nuclear Tension

BK1606104594 Jakarta ANTARA in English 0942 GMT 16 Jun 94

[Text] Jakarta, Jun 16 (ANTARA)—Indonesia is concerned about the increasing tension on the Korean peninsula and hopes that conflicting sides return to the negotiating table to seek diplomatic solution, head of the Nonaligned Movement (NAM) Executive Board Nana Sutresna said here Thursday.

President Suharto has asked Nana Sutresna to investigate what steps he can take as the chairman of NAM to help ease the tension.

The tension in Korea has increased after some Western countries accuse North Korea of having nuclear facilities and keep pushing for Pyongyang nuclear inspections.

The United States has proposed economic sanction against North Korea at the UN level because Pyongyang resists the inspections.

North Korea announced this week it was pulling out of the International Atomic Energy Agency after resisting the inspection attempt.

Flanked by State Secretary/Minister Murdiono, Nana Sutresna was reporting to President Suharto results of the ministerial meeting of NAM held in Cairo, Egypt recently.

The participants of the Cairo meeting, according to Sutresna, hailed the steps taken by Indonesia as the current NAM chairman, in trying to help solve the problem on the Korean peninsula.

President Suharto has sent letters to North Korea President Kim Il-Song and UN Secretary General Butrus-Butrus Ghali regarding the matter, he said.

He also explained about the upcoming NAM meeting in Jakarta to discuss the debt burden faced by the 18 most poorest countries which are members of NAM.

Meanwhile, the NAM chairman has appointed some Indonesian economists led by Wijoyo Nitisastro to help the NAM member countries solve their debt problem.

He said that apart from the 18 countries, there are other NAM members wishing to attend the Jakarta meeting expected to be held before August 17, the Indonesian Independence Day.

Deputy Minister Meets Seoul Envoys in Tehran

LD1506190394 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1630 GMT 15 Jun 94

[Text] 'Ala'eddin Borujerdi, deputy foreign minister for Asian-Pacific affairs, met ambassadors from North Korea and South Korea in separate meetings today. Borujerdi noted the Islamic Republic of Iran's profound concern over increasing tension in the Korean peninsula. Borujerdi emphasized that Tehran believes direct talks between the two Koreas are the best way to solve current problems.

The North Korean envoy said that American actions are the main cause of problems between the two Koreas. The envoy stressed that North Korean officials are ready to solve problems of the two Koreas through negotiations.

The South Korean envoy stated Seoul's readiness to solve existing problems between the two Koreas via direct negotiations. The South Korean envoy said that the Islamic Republic of Iran, through its good relations with the two Koreas, can play an effective role in reducing tension between the two Koreas.

Daily Views Suharto's Press Criticism

BK1606103994 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 16 Jun 94

[From the press review]

[Text] BERITA BUANA discusses President Suharto's criticism of the recent press coverage of the country's purchase of 39 East German warships. Speaking at a ceremony to hand over three East German ships in Teluk Ratai, Lampung, President Suharto said press freedom had been abused in setting one person against another.

BERITA BUANA believes the head of state's remarks should serve as a warning to the press, which seems to make it appear that the purchase is handled by Minister for Research and Technology Habibie alone. The truth is that the purchase of the ships is jointly handled by the Indonesian Armed Forces headquarters, the Defense and Security Department, the Finance Department, the National Development Planning Agency, and the Agency for the Study and Application of Technology. Therefore, journalists are urged not to present half-truths in their coverage and they must also maintain their independence and sense of responsibility.

Philippines

Ramos Discusses Korean Crisis, Nuclear Test

BK1506110194 Quezon City PTV-4 Television Network in English 0652 GMT 15 Jun 94

[Weekly news conference by President Fidel V. Ramos with domestic and foreign correspondents at Malacanang Palace in Manila—live; passages in brackets in Tagalog]

[Excerpts] [passage omitted] [Ramos] I also have a statement in regard to the Korean peninsula nuclear issue. You will recall, ladies and gentlemen, that I made a statement on this just four days ago. But of course there are now new developments.

This is in regard to the still unconfirmed reports—these are still unconfirmed—that Pyongyang intends to withdraw from the International Atomic Energy Agency [IAEA]. And if that step has not yet been officially taken by North Korea, we urge North Korea to remain in the IAEA so that an early and peaceful resolution through patient negotiation and creative diplomacy can be found to resolve this issue.

Our concern here stems from the possibility of nuclear proliferation, because such proliferation is a destabilizing factor for global and regional security, and in turn will derail and disturb and possibly [word indistinct] normal economic growth and sustained development in our part of the world, if not in the entire globe itself. And as a developing country, certainly, we want to move our economic, social, and political development forward without disturbances of this nature.

I also have a statement in regard to the reported testing by China four days ago, or 10 June, where a nuclear test was reportedly undertaken at its testing site at Lop Nur. And as you all know, as a signatory of the United Nations treaty on nonproliferation of nuclear weapons, the Philippines is strongly against the proliferation of nuclear weapons, and this includes observance of a testing moratorium. So that in the end we hope that all of these tests will stop through a—or be made to cease—through a comprehensive test-ban treaty. [passage omitted]

[Correspondent Manny Mogato] With Pyongyang ominously sounding the war drums and with Seoul (?gearing) to dance to the same music, in case of actual conflict between the two Koreas, the United States—being committed to the defense of South Korea—will certainly be drawn into the war. Mr. President, will the Philippines be also drawn into the same conflict by virtue of our mutual defense treaty with the United States?

[Ramos] No, that's very, very farfetched. You will recall that the Philippines joined in the so-called police action on the Korean peninsula—which was occasioned by the invasion by North Korea of South Korea across the 38th parallel—because of a UN Security Council resolution, not a defense treaty with any country. But before we could send our troops there, a law had to be passed, and this was Republic Act 573, the so-called Peptok Law, passed by Congress in September 1950. So, it's not automatic that the Philippines rushes into the fray. After all, we are not the policeman of the world. But we have expressed our concern.

In my statement four days ago I cited five major reasons:
—Because of our nonnuclear provisions in the Constitution, in the basic law;
—Our membership in the IAEA board of governors, that is, Ambassador Rey Arcilla, who is based in Austria;
—Our proximity to the Korean peninsula. We are close enough, we are much closer than the United States;
—The some 13—to maybe more—thousand Filipinos in South Korea; and;
—I mentioned it a while ago, the possible crippling and paralysis of economic activity in our part of the world.

In which, again, [developing countries will become such a pity. The developed countries might benefit because of the war.] What about us? Those are my concerns.

So, we have called for patient negotiation, consultation, and creative diplomacy so that perhaps we can find the acceptable solutions before sanctions are applied.

[Mogato] Follow-up, Mr. President. As member of the ASEAN, what do you think will be the role of the ASEAN in diffusing the threats of war in the Korean peninsula?

[Ramos] Well, certainly the ASEAN-member countries can take positions as we have done on a national basis. We are of course always in consultation within ASEAN with our sister countries. But as far as I know, ASEAN as a bloc has not yet come up with a position. Although in the recent senior officers' meeting of the ASEAN Regional Forum which deals with security and defense matters, there was already at that level—this is a lower level—expressed the concerns of the ASEAN countries about the proliferation of nuclear weapons.

Of course, I think you are aware of the initiatives of Russia to convoke an international conference that will involve now the principal negotiators with the two Koreas. I hope that something will come out of this, because this is really in the realm of creative diplomacy and patient negotiation. [passage omitted]

Jakarta Releases Detained Fishermen

BK1506122494 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0930 GMT 15 Jun 94

[Text] The 36 Filipino fishermen earlier detained by the Indonesian Navy for fishing in Indonesian waters have been freed. The release of the fishermen was confirmed by the office of the presidential adviser for Mindanao. The fishermen are expected to arrive at General Santos City anytime now.

Meanwhile, Indonesia is ready to host the peace talks between the government and Moro National Liberation Front. Indonesian Ambassador Pieter Damanik said they are ready anytime to host the peace talks, but the negotiators should have something to talk about.

Damanik also relayed to President Ramos the message of thanks by Indonesian President Suharto for government's handling of the East Timor crisis.

Ramos Names New National Police Chief

BK1606054894 Quezon City Radio Filipinas in English 0230 GMT 16 Jun 94

[Text] President Ramos today named the next chief of the Philippine National Police [PNP]. He is Major General Ricaredo Sarmiento. Sarmiento will replace PNP Chief General Humberto Rodriguez, who will retire effective 8 July. The president said he has accepted Rodriguez's letter of retirement. Sarmiento's term will also take effect on 8 July.

Thailand

Cambodian Bandits Hold Villagers Hostage

BK1606053594 Bangkok Radio Thailand Network in Thai 0000 GMT 16 Jun 94

[Text] The Public Relations Office of Surin Province reported that yesterday officials of military unit 2332, of Infantry Task Force 23 attached to the Suranari force, were informed that a group of six Cambodian bandits armed with five AK rifles and one RPG gun illegally crossed the border to capture four Thai citizens and take them into Cambodia. The infantry task force then set up a temporary operations center to coordinate assistance to the hostages and ordered the local troops of the Suranari force to search for the bandits. As a result, the bandits released one hostage to procure 20,000 baht in cash as ransom for the release of the remaining hostages. Further developments will be reported later.

Mekong States Expect To Reach Accord 'Soon'

BK1606104294 Bangkok THE NATION in English 16 Jun 94 p A5

[Text] Thailand and three other countries of the lower Mekong basin are expected to reach an agreement for the use of the mighty Mekong River within two months, ending three years of painstaking negotiations, according to a UN official.

Denis J. Halliday, the United Nations Development Programme (UNDP)'s Resident Representative to Thailand and Hong Kong, said the agreement for the sustainable use of the Mekong is expected to be finalized between August and September.

"This is the hope of all four governments," he said.

The UNDP acts as facilitator for talks among the four riparian countries—Thailand, Laos, Cambodia, and Vietnam.

In February 1993 the four riparian countries agreed to set up a Mekong Working Group to draft a Future Framework of Mekong Cooperation before the end of 1993. A drafting working group under UNDP chairmanship was to focus on two areas; principles for the sustainable utilization of the Mekong River system; and institutional and management issues relating to the mechanism of cooperation.

"We are optimistic. A lot of work is on-going. There is a lot of donor interest. All four governments recognize the importance of water management. Governments work slowly and cautiously but it's happening," said Halliday.

The pending negotiation on the new framework has also technically suspended the official re-entry of Cambodia into the the 1957 Mekong committee. Although a Mekong official says the official admission of Cambodia is purely technical, the country itself was quite worried.

Ing Kieth, Cambodia's Minister of Public Works and Transport, said his country wishes to officially re-enter into the Mekong Committee as soon as possible so that the committee could be fully functional.

Cambodia dropped out in 1975 when Khmer Rouge guerillas took control of the country. The absence of Cambodia prompted remaining members to set up an Interim Mekong Committee in 1978.

Ing, who is also chief of the Cambodian Cabinet, was speaking after a four-day visit here at the invitation of the Ministry of Science Technology and Environment.

Dr. Prathet Sutabut, director general of the Department of Energy Development and Promotion, said that as soon as Cambodia signs an agreement to resume its membership of the panel, the Interim Mekong Committee will become the Mekong Committee.

"Cambodia has in fact resumed its participation in Mekong Committee activities in 1991 after signing the peace agreement in Paris. Now it wishes to officially resume membership," said Dr. Prathet who headed a Thai technical drafling working committee.

Prathet said the Interim Mekong Committee is now in the final stage of negotiation. He did not say when a meeting of the drafting committee would be held. It last met in January in Vientiane.

Ing Kieth said he had already conveyed Cambodia's wish on the issue to senior Thai ministers during his visit, including Deputy Prime Minister Suphachai Phanitchaphak and Foreign Minister Prasong Sunsiri.

"We want to nomlalize our participation in the Mekong panel. We agree to the necessity and importance of early re-establishment of the Mekong Committee. My country has been out of the activities. We need to rebuild the country to seek support from outside," Ing said. He expected that Prasong would convey this message to the Thai govemment.

Some sticking points remained with regard to the negotiation on Article 5 of the draft agreement concerning the utilization of water. Vietnam, located in the lowest stream, has expressed concems about the utilization of water of the upstream countries, in panicular that the diversion of waters from the mainstream and the use of water in the dry season will affect the flow downstream.

Ing Kieth said Cambodia appreciated Vietnam's concerns. If the upper countries consume much water, Vietnam would certainly suffer from the intrusion of sea water into its delta.

The minister urged the present negotiation also take into account Mekong committee's 1957 basis documents which provided safeguards against unfair use of water of the upstream nations.

Thailand was a leading opponent of the use of the old documents which it said constituted an interference in the upstream nations' sovereignty in using waters in the basin and and placed obstacle to the advancement of national water resource development related to the mainstream.

Foreigners To Have Bigger Share in Business

BK1606095194 Bangkok Radio Thailand Network in English 0000 GMT 16 Jun 94

[Text] Thailand will allow foreigners to hold more shares in the local insurance business as part of a liberalization policy, which in compliance with the GATT agreement. Speaking after opening the first ASEAN Insurance Congress at the Shangri-la Hotel in Bangkok yesterday, Deputy Prime Minister Suphachai Phanitchaphak stressed the need to draw up a plan aimed at expanding the insurance business in the future. Mr. Suphachai says the plan will call for the issuance of more licenses for operating the business here and for the expansion of equities held by foreigners.

At present foreigners are allowed to hold an equity of 25 percent in a local insurance firm. The new plan is likely to allow foreigners to hold 49 percent of the total shares. Mr. Suphachai said ASEAN countries should formulate a joint plan to open their insurance markets. This is to provide a maximum benefit for those who use the service and to minimize effects on the business following the liberalization. He said ASEAN should also open a joint market in some areas to help strengthen the insurance business.

Phalang Tham Party Backs Reform Motion

BK1606034894 Bangkok THE NATION in English 16 Jun 94 pp A1, A4

[Text] The House of Representatives votes today on a controversial charter reform motion submitted by Phalang Tham [PTP] MPs, a crucial decision that could also decide the fate of hunger striker Chalat Worachat and the Chuan coalition.

The motion was put on the House agenda after the rebel Phalang Tham MPs who sponsored it won overwhelming support yesterday from their party colleagues that rendered the pro-Chuan Phalang Tham leadership helpless. With promised support from the opposition, the motion is certain to be moved up the agenda for deliberation today.

A New Aspiration Party source claimed last night Bunchu had told Chuan that he would resign as deputy prime minister to show political responsibility.

The report could not be immediately confirmed, but Chuan called an urgent meeting of coalition leaders before midnight.

Earlier, Bunchu was reported to have apologized to Chuan for the problems his party had caused the coalition.

Chalat is expected to end his protest if the motion is passed. But its passage would be a major snub to Prime Minister Chuan Likphai, who has strongly opposed the "political intimidation" directed against his government.

Opposition parties will be a decisive factor in the tumultuous test of strength between Chuan and political action groups pushing aggressively for a brand new constitution. The motion needs simple majority support from MPs attending today's House meeting.

Chuan's Democrat Party yesterday rejected a face-saving compromise floated by some of the Phalang Tham MPs who sponsored the motion. They suggested that since the motion calls for the formation of a House committee to draft a new constitution, a committee already set up by Parliament President Marut Bunnak to study political reform should be entrusted with the job if the motion is passed.

Democrat Spokesman Akhom Engchuan reiterated yesterday that the democrats would not vote for the notion. But he said whatever decision was made today by the House, Chalat "must respect it". Democrat whip Churin Laksanavisit added that it was unlikely Democrats MPs would be allowed a free vote.

Government whips will meet today to finalize the coalition stand on the motion before it is debated.

The opposition bloc has pledged considerable support for the motion although the second biggest party, Chat Phatthana, said it would vote for the motion only if the MPs who sponsored it can justify their action. A faction in the Chat Thai Party vowed to block the motion, so did the tiny Prachakon Thai Party.

The opposition's announcement yesterday of its own motion seeking political reform strongly indicated the bloc "doesn't want to miss the democratic train," observers said.

Social Action Secretary-General Chaloem Yubamrung said yesterday the opposition would vote for the Phalang Tham motion

Prime Minister Chuan last night emphasized his belief the current pro-reform campaign was directed at his Democrat Party. But he was adamant that a House dissolution was not a way out of the crisis.

Asked if he would dissolve the House if the opposition joined with Phalang Tham to pass the motion, Chuan said: "It (House dissolution) is still very far off."

Chuan yesterday discussed the political situation with the Phalang Tham leadership, including Deputy Prime Minister Bunchu Rotchanasathian and Foreign Minister Prasong Sunsiri, Communications Minister Winai Somphong, and Deputy Interior Minister Chamni Sakdiset.

An informed source said Democrat leaders who had been analysing the political situation believed a House dissolution was inevitable if the Phalang Tham motion was passed today.

Chuan and other Democrat leaders went into a huddle with Phalang Tham leaders again at Parliament about 7 o'clock last night. A source who attended the meeting quoted Bunchu as expressing deep regret to Chuan for "having let Phalang Tham cause so many problems."

Bunchu also told Chuan to "wait and see what will happen" if the Phalang Tham motion was passed by Parliament, according to the source. It was not known if Bunchu was hinting he would resign or pull Phalang Tham out of the coalition to allow Chuan to bring in an opposition party in a Cabinet reshuffle.

Rumours abounded yesterday about the Democrats "approaching" two major opposition parties—Chat Thai and Chat Phatthana. Chat Thai leader Banhan Sinlapa-acha called an urgent meeting yesterday evening with deputy party leaders, said Chat Tha spokesman Pratuang Wichanpricha who admitted that he did not know what the meeting was all about.

Some Democrat MPs compared Phalang Tham with the Democrat Party six years ago when Democrat rebels doomed the Prem government by violating a coalition resolution on a copyright amendment. They said Phalang Tham would "owe the people an explanation" if the government crumbled as a result of the controversial motion.

An estimated 10,000 people turned up in front of Parliament yesterday to join a pro-Chalat rally. Leading reformists have already declared victory, voicing confidence that the motion would be surely passed.

But considering Chalat's initial demands, passage of the motion could be just the beginning of another painstaking process that might bring the whole episode back to square one, observers said.

Chalat started his hunger strike after the opposition and Senate joined hands to kill proposed constitutional amendments drawn up by an ad hoc House committee. But the emotional campaign and the Democrats' tough stand against "political intimidation" soon spiralled into an antigovernment crusade with opposition MPs joining the fray and supporting the radical reformists.

The government has pointed out that there is one question that the pro-Chalat side has tried to avoid: Will Chalat resume his fast if the Phalang Tham motion fails to produce satisfactory motion?

Army Chief Backs Military Role in Panel

BK1606104194 Bangkok BANGKOK POST in English 16 Jun 94 p 1

[Text] Army Commander-in-Chief General Wimon Wongwanit yesterday welcomed the move to include representatives of the military on the Committee for Democratic Development set up by House Speaker Marut Bunnak.

He said all opinions should be heeded in a democracy.

Gen Wimon said people should not misinterpret the participation of the military as interference in politics.

"I have stated several times that the military has a policy of non-interference in politics. I will not let the Army become involved," he said.

Gen Wimon said soldiers and their families made up 300,000 people, constituting a large part of the community.

"Opinions from all sectors should be listened to in a democracy."

He said he did not think it improper for military representatives to join the panel because "they can present another view on the panel".

"Don't you think military personnel are also Thai people who are entitled to political rights?" he asked.

Gen Wimon said although he was a soldier, he could not be barred from exercising his right under a democratic system.

"I have performed my duty under a democratic system and it does not involve my military career."

Gen Wimon said he had not yet been officially informed whether military representatives would be invited to join the committee.

He said he personally would not sit on the committee.

Analysts Foresee Stable Economy

BK1606085294 Bangkok THE NATION in English 16 Jun 94 p A2

[Text] A dissolution of Parliament would not have a significant negative impact on the country's economic growth, bankers and securities analysts said yesterday.

Despite the possibility that the government may dissolve Parliament or reshuffle the coalition if it fails to win a compromise over constitutional changes, many analysts are confident the growth rate for the entire year will stay above 8 percent.

If the government motion for constitutional changes is defeated today and Parliament is dissolved, the shock to the economy would only last one to two months, according to Olan Chaiprawat, president of Siam Commercial Bank.

Still, the growth rate for all of 1994 would remain above 8 percent. He said the political crisis would not lead to a "dead end" for Thailand's economy which he predicted would post a growth rate of 8.1 percent even with a House dissolution.

"There is nothing to worry about in the short run. The world economy is recovering. There is nothing to worry about at all, even if Parliament is dissolved," he said optimistically in an interview with The Nation.

He emphasized yesterday that a change in the government was a normal process in a democracy.

The stock market reacted cautiously yesterday to the uncertain political outlook with a moderate 1.4 percent drop, by 19.35 points to 1,359.53.

Olan said the government should decide how to best improve the situation.

"I believe that if the government announces a House dissolution tonight (last night), the stock index will rise tomorrow (this morning) since investors prefer a more stabilized situation," he said.

Worawi Wangli, president of Nakhonthon Bank, said the situation is not as bad as during the May 1992 bloodshed.

He said the Thai Bankers Association would not become involved in the political crisis. "This is the task of politicians," he said.

An analyst at Thai Investment & Securities Co said if the government is defeated today, the stock market support line would be 1,332 points, and if the situation worsened, the index could plunge to 1,284 points.

"If the House is dissolved or the Cabinet is reshuffled, the resistance line may be between 1,372-1,392 points," the analyst predicted.

She added that any impact on the economy would be shortlived but she did not expect an important impact on the stock market as at most, only some political figures would be changed, and that would not dramatically affect economic structures.

Somchai Phakaphasawiwat, adviser to the House's economic subcommittee, said some infrastructure projects could be further delayed if there is a political change and that could affect the overall economy. However, economic growth will remain healthy as the budgets for the fiscal year would be spent as usual.

"The stock market may benefit from the change as foreign and local investors see a clearer political situation. Volatility may occur, but only for a short time," said Somchai.

Comments on Setting Up of Ammendment Body

BK1606110194

[Editorial Report] Two Bangkok vernacular dailies—KRUNGTHEP THURAKIT and SIAM POST—carry editorials commenting on the political situation following the submission to the House by 21 Phalang Tham Party MP's a motion to set up a new constitution redrafting committee, in a bid to ease up political tension following a hunger strike by activist Chalat Worachat.

KRUNGTHEP THURAKIT's 400-word editorial, on page 2, entitled: "For the Sake of Democracy, Do Not Stop Phalang Tham's Motion," notes that the setting up of the "Democracy Development Committee" proposed by House Speaker Marut Bunnak has, to a certain extent, alleviated the "severity" of the political tension caused by the hunger strike. "We are satisfied with the attitude of the government and Prime Minister Chuan Likphai in this regard. However, it is necessary for all parties concerned to prove their sincerity with action."

The editorial says: "We regard as the right step the motion submitted by 21 Phalang Tham Party MP's for the deliberation of the house, the setting up of an extraordinary committee to compile, rewrite, and draft a constitution.

"The Phalang Tham MP's have done their job in the legislative branch. Such a move will not affect the image of the government or create any rift within the coalition. The Phalang Tham party's endorsement of the motion will prove that it truly adheres to the principles of democracy, and not the political etiquette of being a partner of the coalition government. We feel that the Democrat Party, as the leading core of the coalition, should be broad minded enough not to oppose the decision of the Phalang Tham Party."

In conclusion, the editorial says: "The government should generously allow the house speaker to place the motion on the house agenda as soon as possible. All political parties, both in the coalition and opposition bloc, must allow their MP's to vote freely with the sense of responsibility toward democratic development and the country."

SIAM POST's 350-word editorial, on page 4, entitled: "Democracy," notes: "Many political observers believe that the current political conflict will not lead to the violence of the 'May 1992' incident because all concerned parties abide by the laws and are aware of their rights and freedom."

"The problem that may arise now is the effect of the Phalang Tham Party motion after it is passed into law on the now-functioning parliament constitutional amendment commission and the parliamentary mechanism.

"This is a new political phenomenon worth everybody's keen attention. Meanwhile, the New Aspiration Party is planning to submit a motion to the house to amend Article 211 of the Constitution to pave way for the formation of the constitution drafting council."

The editorial points out that the people are confused by political parties and politicians. "What is happening now indicates that our political parties and politicians lack unity and discipline. Hence, the cabinet cannot function smoothly and the parliamentary mechanism might eventually fall apart."

Vietnam

Deputy PM Interviewed on US-SRV Relations

BK1506153394 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 30 May 94 pp 1,3

[Report on 29 May interview with Deputy Prime Minister Tran Duc Luong by SAIGON GIAI PHONG correspondent Oanh Van; place not given]

[Text] Deputy Prime Minister Tran Duc Luong returned to Hanoi on the afternoon of 29 May after his visit to the United States from 18-28 May. During his 10-day visit to the United States, Deputy Prime Minister Tran Duc Luong met and had contacts with many high-ranking U.S. officials as well as representatives of the U.S. business circle. On his return home, the deputy prime minister gave an interview to the newspaper SAIGON GIAI PHONG. He said:

- I led the Vietnamese delegation to visit the United States at the invitation of the "International Conference on Economic Development." We attended three seminars held in Washington, New York, and San Francisco. U.S. business circles showed great interest in these seminars. The number of participants in these seminars consistently exceeded the figure of people invited. At the Washington seminar, only 200 people were invited but there were as many as 250 people attending. At the New York seminar, there were 200 people participating compared with only 150 people invited. Most of the questions raised by U.S. business concerns were very realistic, substantial, and practical. U.S. business concerns believe that the time is ripe for them to enter Vietnam.

We also met U.S. Secretary of State Christopher, a number of U.S. congressmen, and the U.S. [Senate] Foreign Relations Committee. Through these meetings, the U.S. side agreed with the Vietnamese side that it is now time to end the post-war period of tension and to start the process of gradually building normal relations and advance toward building fine foreign relations between the United States and Vietnam. This is in the interests of the United States, Vietnam, and the trend toward peace, stability, and cooperation in the region.

While in the United States, I also visited the president of the World Bank, the director-general of the International Monetary Fund, and the chairman of the UN Development Program. All of the heads of these organizations affirmed that they would provide positive assistance to various cooperative projects with Vietnam.

[Correspondent] Did the U.S. business concerns mention any obstacles encountered while investing in Vietnam

[Tran Duc Luong] Apart from highly appreciating the opportunities for doing business in Vietnam, U.S. businessmen also pointed out three main obstacles encountered by them when engaged in doing business in Vietnam. They are: 1. The Vietnamese legal system is not perfect; 2. Vietnam's infrastructure is still weak; and 3. Vietnam's administrative procedures are cumbersome and complex.

[Correspondent] Did we sound out the prospects for exporting Vietnamese goods to the United States?

[Tran Duc Luong] During various contacts, both the U.S. political circles and U.S. businessmen admitted that to promote increased trade investment between the United States and Vietnam, we need the efforts of both sides. It is precisely because of this that they [U.S. businessmen] also were concerned about how to help Vietnam export its goods to the United States. Vietnam's exports, including rice and beer, to the United States have been made in small quantities. While in the United States, I was told by the U.S. business concerns that it welcome the return of Vietnamese goods to the U.S. market after many years of absence. I met with groups of U.S. businessmen and we initially agreed on the signing of certain contracts for the export of goods to the United States. Of course, the export of goods to the United States can develop satisfactorily only when the United States grants Vietnam the most-favored nation status.

[Correspondent] As you have already met Secretary of State Christopher, could you, Mr. Deputy Prime Minister, speak of the substance of the meeting?

[Tran Duc Luong] The meeting was focused on the relations between the two countries and other regional issues.

[Correspondent] Did the two sides deal with the follow-up "road map" of U.S.-Vietnamese relations?

[Tran Duc Luong] At various meetings and seminars where they spoke, U.S. officials never dealt with any "timetables." They only said that the bilateral relations would achieve rapid development if residual issues are satisfactorily resolved.

[Correspondent] Will the Assistant U.S. Secretary of State Winston Lord arrive in Vietnam in late June for visit?

[Tran Duc Luong] I met Mr. Winston Lord after I had met Mr. Warren Christopher. At that meeting, Mr. Winston Lord handed me a note from the U.S. State Department on its consent to a decision to officially make public the news about the establishment of liaison offices in the capitals of the two countries.

[Correspondent] Is there any reaction from the U.S. public? When will the liaison offices be opened in the two countries' capitals?

[Tran Duc Luong] This news met with a warm welcome from the U.S. public, particularly from U.S. business circles. Many people in business in the U.S. even asked the U.S. Government to move further toward promptly granting Vietnam the most-favored nation status.

The liaison offices will function like Consulates General. Mr. James Habi who has been nominated by the U.S. Government to head the U.S. Liaison Office in Hanoi said in a seminar that at the U.S. Liaison Office in Hanoi, there would be economic specialists whose duty is to provide assistance to U.S. businessmen. At present, the two countries are finalizing various procedures about administration and staffing so the two offices can soon be put into operations. The U.S. side also took me on a visit to the building where the Vietnamese Liaison Office in the United States will be headquartered. The building is located within the foreign embassies' quarter in Washington. This building, formerly belonging to Vietnam, has been well maintained by the U.S. side.

[Correspondent] During his meeting with you, did Secretary of State Warren Christopher say that increased U.S.-Vietnamese relations would have an impact on regional peace and stability?

[Tran Duc Luong] Both the United States and Vietnam hold that the Asia-Pacific region in general and the Southeast Asian region in particular is a dynamically developing region with fine economic prospects. This trend requires countries in the region to take responsibility for maintaining peace and stability so the region can develop favorably. The United States realizes Vietnam's important role in Southeast Asia and wants Vietnam to shoulder [ganhs vacs] the common duty of maintaining regional peace and stability. For its part, Vietnam believes that the United States has an important say and role in maintaining regional peace and stability and hopes that the United States will fulfill this mandate. Increased U.S.-Vietnamese relations will certainly have a positive impact on the region.

[Correspondent] Will the two countries' embassies in their respective capitals be opened in the not-too-distant future?

[Tran Duc Luong] No one can give a specific timing. The only thing I know is that if the two governments continue to resolve their residual issues as they are doing now, the process of normalizing U.S.-Vietnamese relations will achieve rapid progress.

[Correspondent] Thank you, Mr. Deputy Prime Minister.

Nguyen Manh Cam Interviewed on ASEAN Ties

BK1506142694 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 23 May 94 p 1,3

[Interview with Foreign Minister Nguyen Manh Cam by Minh Ha, correspondent of the SAIGON GIAI PHONG, on relations between Vietnam and Southeast Asian countries]

[Text] With the recent friendly official visit to Myanmar [Burma] by Prime Minister Vo Van Kiet, our leaders have thus far visited all countries in the Southeast Asian region, and have laid an important foundation for a new period of cooperation between Vietnam and countries in the region. On this occasion, Comrade Nguyen Manh Cam, member of the Party Central Committee Political Bureau and minister of foreign affairs granted SAIGON GIAI PHONG an exclusive interview.

[Correspondent] Dear minister: Our leaders have visited all countries in the Southeast Asian region, and many leaders in the region have also visited us. Through all these high level visits, what can we say about Vietnamese-Southeast Asian relations, and particularly Vietnamese-ASEAN relations?

[Nguyen Manh Cam] The implementation of the foreign affairs policy in the direction of diversification and multilateralization has rapidly boosted our relationship with countries in the Southeast Asian region and this will certainly be developed even more rapidly in the period to come. The recent visits exchanged between Vietnamese leaders and leaders of ASEAN countries reflect the common aspiration of countries in the region as well as ourselves to speed up the expansion of our multifaceted cooperative relations.

The fine relations between Vietnam and Southeast Asian countries are evidence that the current trend in the region is cooperation for development. In parallel with the development of bilateral relations between Vietnam and each of the Southeast Asian countries, all ASEAN countries also wish that Vietnam will soon become an official member of the ASEAN organization. On our part, with positive support from ASEAN, we are taking practical steps to prepare for full membership of ASEAN soon. When Vietnam becomes an official ASEAN member, it will not only consolidate and develop the bilateral and multilateral relations between Vietnam and ASEAN, but will also contribute positively to the trend of cooperation and development in Southeast Asia in particular, and Asia-Pacific in general.

[Correspondent] How should Vietnam prepare to join this organization?

[Nguyen Manh Cam] The cooperation among ASEAN members cover many fields, not only economy and trade, but also science and technology, culture, education, tourism, physical education, sports, and so forth. We need to study the activities of each of the committees and the features and magnitude of their projects, and from there we can prepare suitable steps for each field so that once we become a full member of ASEAN, we will be able to integrate immediately into the smooth-running cooperation mechanism of the organization.

We also need to study more thoroughly the operational regulations of ASEAN in order to determine appropriate cooperation methods that will ensure efficiency and benefits for both our country and the countries in the region. In addition, we should consult with and learn from the experiences of ASEAN members—from both their successes and failures during the cooperation process and in the operation of national committees, as well as the regulation and coordination of various domestic sectors so that we can arrange our activities in accordance with ASEAN requirements.

[Correspondent] Vietnam has become an observer of ASEAN. What are the next steps from now until we become an official member of ASEAN?

[Nguyen Manh Cam] Some ASEAN countries have suggested that we choose either one of the two following ways. The first option is to gradually join in committees and cooperation projects, and once we have joined all the committees and projects we would become an official member. The other option is to join selectively a number of committees and cooperation projects in certain fields, then we would become an official member and could continue to join in the remaining committees and projects. Many friends in ASEAN countries have advised us not to pursue perfection, and to choose the second option. I agree with that advice.

So far, as an observer, Vietnam has joined six committees and five specific cooperation projects of ASEAN. We will soon be able to officially join the organization and then we will continue to join other cooperation projects.

[Correspondent] What will be the effects in the event of Vietnam obtaining full ASEAN membership?

[Nguyen Manh Cam] The cooperation between Vietnam and ASEAN in general, and with each ASEAN member country, will become closer once we become an official member of ASEAN. It will be beneficial for both Vietnam and ASEAN, the development of our country, and the region. It will also be an important contribution to the trend of peace, stability, and cooperation in the Asia-Pacific region.

[Correspondent] Is it true as somebody has suggested that if Vietnam joins ASEAN in the current situation, it will suffer some difficulties caused by the unequal development levels and the different economic structures in Vietnam and ASEAN member countries?

[Nguyen Manh Cam] It is true that there is an inequality in economic development between Vietnam and ASEAN member countries, but within the ASEAN organization itself the development levels of member countries are also unequal. ASEAN member countries, therefore, do not see it as an obstacle. In fact the comprehensive cooperation will create conditions for complementing each other, helping slow countries to catch up with fast developing ones, thus boosting development in the whole region. For that reason all ASEAN member countries have made it clear that they wish Vietnam to become a full member of ASEAN soon.

[Correspondent] ASEAN will become a free trade (AFTA) region in the next ten years. How would that effect the Vietnamese economy if by then Vietnam were still not a ASEAN member?

[Nguyen Manh Cam] When ASEAN member countries complete the establishment of the free trade region (AFTA), all merchandise exchanged among the countries concerned will be subjected to low tax or be free of tax. The tax scale will be reduced to about 5 percent to nil. If by then Vietnam is still not a member of ASEAN, we will not have those privileges, and our trade activities will face certain difficulties as our exported goods to ASEAN will be taxed at a higher rate, thus reducing their competitiveness. If Vietnam is then a member of the free trade region, the trade relations between Vietnam and ASEAN member countries will benefit and expand speedily, thus contributing to the development of Vietnam and other countries in the region.

[Correspondent] Dear minister, what is the role of ASEAN in resolving common problems in the region?

[Nguyen Manh Cam] Honoring the principle of "unity in diversity" the ASEAN member countries cooperate but respect each other, implement joint decisions and work together but respect the sovereignty of each country. Thanks to that principle, ASEAN has become a regional organization, the voice of which has carried more and more weight in international and regional forums. It surely has a decisive role in resolving common regional problems.

[Correspondent] Thank you, dear minister.

Vietnam Wants To Join Asia-Pacific Bodies

OW1606041994 Tokyo KYODO in English 0336 GMT 16 Jun 94

[Text] Tokyo, June 16 KYODO—Vietnam wants to join international mechanisms in the Asia-Pacific region, Vietnamese Deputy Foreign Minister Vu Khoan said here Thursday [16 June].

In a 20-minute meeting with Foreign Minister Koji Kakizawa, Vu Khoan thanked Japan for calling on the Organization for Economic Cooperation and Development (OECD) to expand its assistance to Indochina countries, including Vietnam, at last week's OECD meeting in Paris, foreign ministry officials said.

Vu Khoan was quoted as telling Kakizawa that Vietnam is making preparations to join the Association of Southeast Asian Nations (ASEAN).

He did not specify any other Asia-Pacific groupings Vietnam is interested in joining, but Hanoi has expressed willingness to participate in the Pacific Economic Cooperation Council (PECC) and the Asia-Pacific Economic Cooperation (APEC) forum in the future, according to the officials.

Kakizawa replied that Japan wants to help Vietnam take active part in the Asia-Pacific region and will continue to make efforts to expand OECD assistance to the region, the officials said.

Turning to Vietnam's diplomatic relations, Vu Khoan told Kakizawa that ties with the United States are improving, with the two sides recently agreeing to set up liaison offices in each other's country.

Vietnam's relations with China are also improving, although some problems remain, and Hanoi wants to solve those problems through negotiations, Vu Khoan was quoted as saying.

Negotiations over several disputed land and sea boundaries, including the row over the Spratly Islands, have been under way since Vietnam and China reestablished diplomatic relations in 1991, but have failed to make much progress.

Kakizawa welcomed Vietnam's recent economic and social developments and told Vu Khoan he hopes Hanoi will continue making efforts to normalize relations with China and the U.S., the officials said.

Kakizawa and Vu Khoan agreed to cooperate in implementing Japan's economic cooperation with Vietnam, they said.

Economic, Trade Ties With Russia Reviewed

BK1606105094 Hanoi Voice of Vietnam in English 1000 GMT 15 Jun 94

[Text] Russia is the last leg of Prime Minister Vo Van Kiet's visit to the Commonwealth of Independent States. Russia is a large trading partner of Vietnam and the country is still regarded as the powerful nation in the eyes of a large number of people in the world. On this occasion, the Voice of Vietnam brings you a review of economic relations between Vietnam and Russia, and also between Russia and other countries.

To broaden economic ties with the outside world is an obvious strategy for the current economic situation in Russia. Russia has been turning military friends into economic partners as well as traditional trading partners including Germany and other countries in Eastern Europe. Russia has entered the markets in some Western European countries and Asia, especially Northern Asia.

Since 1990, relations between South Korea and Russia have developed favorably. Two-way trade reached $1.6 billion in 1993, doubling that of the previous year. China has become the second biggest trading partner of Russia after Germany. Being an heir of the former USSR, Russia has been integrating into economic cooperation in the region. The shuttled mission of Russian economic groups to the Asia-Pacific region demonstrates the country's interest in broadening economic ties in the region.

Russia has been a traditional trading partner of Vietnam. Two-way trade value exceeded the target of $300 million, mainly in energy, oil and gas exploitation, industry, agriculture, trade, and transport.

Together with the visit to Russia by Vietnamese Foreign Minister Nguyen Manh Cam and the visit to Vietnam by Russian Deputy Prime Minister Yarov, the visit to Russia by Prime Minister Vo Van Kiet will create new prospects for bilateral cooperation between the two countries.

Phan Van Khai, Delegation Leave for Canada

BK1506160894 Hanoi VNA in English 1441 GMT 15 Jun 94

[Text] Hanoi VNA June 15—A Vietnamese Government delegation led by Deputy Prime Minister Phan

Van Khai left here this morning for an official visit to Canada at the invitation of the government of Canada.

The delegation includes Chairman of the State Planning Committee Do Quoc Sam, Vice Foreign Minister Le Mai, Vice Minister of Commerce Nguyen Xuan Quang, Vice State Bank Governor Chu Van Nguyen and ranking officials.

The delegation is expected to meet with Prime Minister Jean Chretien and senior officials of Canada and to visit Vancouver, British Colombia, Calgary, Alberta, Montreal and Quebec.

The high level talks during the visit will focus on cooperation, other issues aimed at increasing commercial contacts between the two countries, particularly in the fields of transportation, telecommunications, and engineering services.

Official Interviewed on European Trip

BK1506100394 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 14 Jun 94

[Interview with Doan Duy Thanh, chairman of Vietnam Chamber of Commerce and Industry by an unidentified radio correspondent on the former's recent visit to the UK, France, Belgium, and Italy; place and date not given—recorded]

[Summary] [Doan Duy Thanh] The visit to Western European countries by the Vietnamese delegation of the Chamber of Commerce and Industry was aimed at increasing contacts with our counterparts in the UK, France, Belgium, and Italy to enable a better exchange of working experiences. The chambers of commerce in these countries have been established for nearly a hundred years. Therefore, we need to exchange management and organizational experiences with our colleagues in those countries. We also went there to look for import-export and trading counterparts.

[Correspondent] "Despite being very far away from us, the government and people of these Western European countries have sympathized with and lent great material and spiritual support to Vietnam. What is their current understanding and evaluation of the renovation undertaking in Vietnam? Is there anything new in their assistance to Vietnam?"

[Doan Duy Thanh] It is possible to say that these countries highly evaluate the Vietnamese renovation. They always say that Vietnam can become a country with a strong economy. They also say that the direction taken by Vietnam is correct. In particular, they highly evaluate our political stability because an economy cannot succeed without political stability.

These four countries have enjoyed time-honoured relations with our country. They all want to help us. For example, England is the first country to sponsor their importers and exporters in doing business with Vietnam. France has helped Vietnam a lot in dealing with the Paris Club and the IMF. However, the businessmen in these four countries do not thoroughly understand Vietnam's economic situation. On our trip, we tried to help them with their misgivings by clearly presenting Vietnam's difficulties, problems, and favorable conditions for business.

[Correspondent] "Dear comrade, the UK, France, Belgium, and Italy all are developed countries. According to you, what can Vietnam learn from these countries?"

[Doan Duy Thanh] Those countries have a lot of experience in business management. They also possess a high level of technology in many areas. They can help us and we can learn from them in the fields of the capital market, business consultancy, the introduction of a share holding system, banking services, auditing, computing, tourism, port and airport management, and so forth.

[Correspondent] Could you brief us on the commercial cooperation between Vietnam and those countries and the prospects for that cooperation in the future?

[Doan Duy Thanh] Our development has been very good in recent years. Regarding trading, it is possible to say that our goods have penetrated all markets. We spotted Vietnamese goods in France, Italy, Belgium, and the UK. With new favorable conditions, I think Vietnamese goods will definitely do better in the Western European and European Common markets.

[Correspondent] "Thank you, comrade."

Employment Minister Begins Asian Tour

BK1206113194 Melbourne Radio Australia in English 1100 GMT 12 Jun 94

[Text] Australia's employment minister, Simon Crean, arrives in Vietnam shortly on the first leg of a trip to Asia aimed at strengthening trade links with the region.

In Hanoi, Mr. Crean will sign a memorandum of understanding with the government as the first step in Australian business setting up cooperative projects providing high quality education and training. And in Indonesia, Mr. Crean will be part of Australia's largest ever trade and cultural promotion in the region.

During his Malaysian stopover, Mr. Crean will meet senior officials to discuss priority areas for cooperation in vocational education and training.

AFP Delegation Makes Four-Day Visit

BK1506155794 Hanoi VNA in English 1441 GMT 15 Jun 94

[Text] Hanoi VNA June 15—An AFP delegation led by its President-Director General Lionel Fleury has paid a 4-day working visit to Vietnam as guest of Director General of Vietnam News Agency Do Phuong.

While here, the AFP delegation was received by General Secretary Do Muoi on Monday.

Speaking to his guests, General Secretary Do Muoi noted that the friendship and cooperation between Vietnam and France had seen steps of fine development, and that Vietnam wished the relationship between the two countries be further consolidated and developed in various fields, especially economy and culture. For his part, Mr Fleury expressed his joy at the fine development of the friendship and cooperation between France and Vietnam as well as between AFP and VNA.

The AFP delegation also had working sessions with the leadership of VNA on the common principles to expand professional cooperation and exchange information and experience in personnel training and improvement of information technology.

This morning, the AFP guests were received by Vice Prime Minster Nguyen Khanh, who welcomed the cooperation between AFP and VNA over past years, and he said he wished that the cooperation would continue developing.

Vice Prime Minister Khanh also affirmed that the Vietnamese Government has always created favourable conditions for mass media agencies including VNA to further develop with high quality.

Earlier, the AFP delegation met with General Vo Nguyen Giap, Minister of Trade Ho Te, and Mayor of Ho Chi Minh City Truong Tan sang. It also toured some places of cultural interest. development in the region.

National Assembly Proceedings Continue

Communique No. 15 Issued

BK1506155294 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 15 Jun 94

[Text] The National Assembly Office issues Communique No. 15 as follows:

On 15 June the National Assembly worked at the conference hall under the direction of National Assembly Chairman Nong Duc Manh. At the beginning of the working day, all deputies stood in a minute to commemorate Comrade Nguyen Van Cu, National Assembly deputy from Hanoi City, who passed away on 13 June. Then the National Assembly deputies put questions to some members of the government cabinet.

1. Tran Dinh Hoan, minister of labor, war invalids, and social welfare, answered questions on changes to policies regarding wounded combatants, families of war dead, and other people with meritorious deeds; one-off severance pay for cadres and employees leaving their positions; adjustment of pension for cadres and employees in accordance with the new wage policy; the situation of spontaneous immigration and measures to resolve the issue; and the situation and measures to deal with drug addiction.

2. Construction Minister Ngo Xuan Loc answered questions on issues related to the house price appraisal policy.

3. Trade Minister Le Van Triet answered questions on the cases of numerous motorcycles imported without permits by some business establishments through Saigon and Haiphong Ports; imported paper and its impact on the local paper industry; and the detainment of 38 motorcars imported by some business establishments at the Binh Dinh Market Control Force Office.

4. Dau Ngoc Xuan, minister chairman of the State Commission of Cooperation and Investment, answered questions on the elimination of irritating procedures in licensing foreign investment projects in Vietnam; and the situation and prospects regarding foreign invested projects.

5. Phan Ngoc Tuong, minister chairman of State Commission of Organization and Personnel, answered questions on changes to the Decree No. 46 on the policy on grassroots cadres at ward and village levels; the cases of cars imported temporarily then exported again in Dong Nai, Song Be, and Tay Ninh; the situation and results of the fight against corruption and smuggling; and government directions regarding this fight.

6. Tran Hoan, minister of culture and information, answered questions on issues related to state management to cultural activities.

After Ministers Tran Dinh Hoan, Le Van Triet, Dau Ngoc Xuan, Phan Ngoc Tuong, and Tran Hoan finished their answers, 17 deputies raised other issues that needed further explanation. They are: Tran Thi Bach Tuyet from Dong Nai; Tran Quoc Thai from Ha Tinh; Dam Van Nguy from Cao Bang; Vu thi Ngoc Dau from Thai Binh; Le Quoc Khanh, Nguyen Don, Nguyen Ba Khanh from Quang Nam-Danang; Cu Hoa Van from Lao Cai; Trieu Thi Nhay from Yen Bai; Tran Thi Le Thu, Vo Van Luoc from Binh Dinh; Nguyen Trong Khanh from Vinh Phu; Dang Thi Thanh Huong from Quang Ninh; Tran Van Cua from Minh Hai; Nguyen Quoc Thuoc from Nghe An; Le Van Tri from Thanh Hoa [name as heard]; and Nguyen van Rang from Minh Hai [name as heard].

The aforementioned ministers continued to answer the newly-raised questions. On 16 June the National Assembly will hold a plenary session at the conference hall.

Ministers Answer Questions

BK1606104694 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 15 Jun 94

[Report by station correspondent on 15 Jun proceedings of the current Ninth National Assembly's fifth session in Hanoi]

[Summary] "Dear friends: the Ninth National Assembly's fifth session entered its 18th work day today. The

National Assembly held a plenary session at the conference hall under the direction of National Assembly Chairman Nong Duc Manh to hear ministers answer questions put forth by various deputies."

In the morning session, the National Assembly heard Tran Dinh Hoan, minister of Labor, War Invalids and Social Welfare answer questions related to pensions for retired cadres, allowances for wounded soldiers, and wage scales for cadres of education and medical agencies at the grass-roots level. They also heard Construction Minister Ngo Xuan Loc answer questions concerning the prices of houses in Ho Chi Minh City and other provinces, and Trade Minister Le Van Triet answer questions related to the import of papers, motorcycles, and cars.

"In the afternoon session, the National Assembly heard Dau Ngoc Xuan, minister and chairman of the State Commission for Cooperation and Investment, answer questions on granting licenses to foreign investors and the results of joint ventures during the past period. They also heard Phan Ngoc Tuong, minister and chairman of the Government's Cadre Organization Committee, answer questions on issues related to the implementation of government decree no. 46 on the policy toward village cadres at grassroots units during the past year, the assignment of cadres to villages and wards, and issues related to the illegal import of cars in Song Be, Tay Ninh, and Dong Nai provinces.

"At the same session, Tran Hoan, minister of Culture and Information answered questions on the current cultural activities and management of cultural publications and artistic shows."

Tomorrow, 16 June, the National Assembly will continue its work at the conference hall.

Australia

PRC Wants IAEA Details on Nuclear Program

LD1306165794 Melbourne Radio Australia in English 1600 GMT 13 Jun 94

[Text] Australia's deputy prime minister, Brian Howe, says China's Premier Li Peng has indicated China wants more information from the International Atomic Energy Agency about North Korea's nuclear program. Ali Moore reports on Mr. Howe's meeting with Mr. Li:

[Moore] In his official talks with Chinese leaders in Beijing, Brian Howe says he got no indication from the Chinese of support for sanctions against North Korea. However, Premier Li Peng did suggest China would like more information.

[Begin Howe recording] I think if there is a main point that was made by the premier it was that the International Atomic Energy Agency might assist by providing China with more information on the basis of which it could make (?perhaps a firmer judgment). [end recording]

Evans Warns DPRK To Reconsider Withdrawal

BK1606062894 Melbourne Radio Australia in English 0500 GMT 16 Jun 94

[Text] Australia says the international community may have no choice but to take stronger action against North Korea following its decision to withdraw from the International Atomic Energy Agency [IAEA]. Camille Funnell reports in a statement issued from New York Australia's foreign minister, Senator Evans, called on North Korea to reconsider its decision:

[Begin Funnell recording] Senator Evans said uncertainty about the nature of North Korea's nuclear activity is the cause of instability in the Asia-Pacific region, and he said it undermines the interest of all countries in the region in preventing the spread of nuclear weapons. Senator Evans warned the international community will have little choice but to take stronger action, including through the United Nations Security Council, if North Korea does not display a more constructive position. He said it is in everyone's interest, not the least to North Korea, to reconsider its decision and return to the negotiating table. [end recording]

Government Protests to PRC Envoy Over Test

LD1606093994 Melbourne Radio Australia in English 0800 GMT 16 Jun 94

[Text] The Australian Government has called in China's ambassador to Australia to protest last week's nuclear test by China. Camille Funnell reports that the Chinese envoy was summoned by Australia's Department of Foreign Affairs and Trade.

[Funnell] Australian officials say that ambassador Chunlai Shi was told Canberra strongly protested the underground explosion on 10 June. Officials say the ambassador was reminded Australia was one of the countries that protested China's last nuclear test in October 1993. The ambassador was told China's latest test was out of step with efforts to negotiate a comprehensive nuclear test ban treaty, with China's own support for nuclear disarmament, and also with its commitment to negotiate a comprehensive test ban treaty by 1996.

Pacific Nations Warned To Improve Economics

BK1506071594 Melbourne Radio Australia in English 0500 GMT 15 Jun 94

[Text] Australia has warned the South Pacific to improve its economic performance in a speech in Sydney by Pacific Affairs Minister Gordon Bilney. In Australia's first policy statement on the Pacific since the end of the Cold War, Mr. Bilney warns that donor countries cannot continue giving aid if Pacific island governments don't pursue high economic growth. Mr. Bilney said past policies had not worked despite large injections of aid and growth is still low, unlike comparable Caribbean economies. Mr. Bilney said the South Pacific must urgently face problems like population explosion and deforestation to avoid a nightmare vision of mass unemployment, urban slums, and lawlessness. Among the most controversial areas in Australia's policy advice is selling off indebted national airlines and filling up land, which are generally held in commune to attract foreign investment.

Satellite Station Opens in Hobart

BK1506071794 Melbourne Radio Australia in English 0500 GMT 15 Jun 94

[Text] Australia's space research program has taken a step forward with the opening of an earth resources satellite station in Hobart. The $2.7 million [Australian dollars] facility was built by the University of Tasmania; the federal government's scientific research organization, the CSIRO [Commonwealth Scientific and Industrial Research Organization]; and the Australian Space Council.

(Don Chocran) of the Space Council says the station will be used to receive information from space on the state of the earth, including oceans, weather pattern, and temperatures:

[Begin (Chocran) recording] The ground station is used for receiving images from satellites in space—those are optical images and radar images. And in addition to its use to monitoring the environment, it's also used as a backup for the Alice Springs station which receive data or images from space for monitoring our resources and our environment. [end recording]

Canberra Expanding Trade, Investment

BK1506123594 Melbourne Radio Australia in English 0630 GMT 15 Jun 94

[From the "International Report" program]

[Text] Australia is looking to dramatically expand trade and investment links with its nearest Asian neighbor, Indonesia. Later this month, Prime Minister Paul Keating will be making his third trip to Jakarta in just two years to promote Australian business. He is preceded by Foreign Minister Gareth Evans, who was in the Indonesian capital last night to launch the biggest trade promotion Australia has yet staged in Asia. Michael Marr was there.

[Begin recording] [Marr] The Australia Today promotion got off to a musical start in Jakarta last night where jazz musicians played at the opening of this three-week business and cultural exposition. The two nations, which have had their fair share of disagreements over the past few decades, got enough beat to get into a program and as Foreign Minister Gareth Evans put it, a good and needed ballast to the relationship. And in this case, its ballast is a commercial kind. Some 500 companies are expected to take part in the $12 million Australia Today promotion despite the problems of red tape and the importance of good political connections. Senator Evans argues there are several opportunities for Australian business in this country of 190 million people.

[Evans] When you've got a country of 190 million people, almost, the fourth biggest in the world, with a rapidly developing economy as this one has, right on our doorstep, maybe it's simply crazy not to recognize the scale and the opportunity that it represents.

[Marr] Has enough been done in the past to expand the commercial ties between Australia and Indonesia?

[Evans] Well, there have been a lot of Australian businesses with their feet on the ground now for a very long time and I think their credibility has been important in building the base on which we're now erecting and further extending. I think the government has worked very hard at developing the kind of climate within which business can flourish and that's happened particularly of course over the last four or five years. Generally speaking however, it's important that Australian businesses themselves get out and put the groundwork [words indistinct]. Governments can only do so much. At the end of the day it's the entrepreneurial instinct that's going to win the reward.

[Marr] Now, $12 million has been spent on this promotion and it's bound, of course, to promoting Australian business here. Some people have suggested that it would be far better to adopt a direct, high profile, more targeted strategy. Is this going to work?

[Evans] What this is all about is changing basic innovative perception. There's still the perception up here that we are a land of mines and tourist beaches and agriculture—another socially developed high-tech, value-added, capable kind of a society; and that matters when people at the decision-making level, not only in government but in business, are determining whether or not to trade with [words indistinct] or accept an investment or engage in a joint venture. You've got to have a background perception that work for a truly sophisticated advanced country. We know from surveys that that perception is not quite spread about at the moment and this whole promotion is about changing just that perception.

[Marr] The organizers of Australia Today say they'd be scrupulous in following up their efforts. Such big time promotions elsewhere in Asia have produced variable results in the past. If that's so, Indonesia need to show some tangible outcome if it's to justify a $12 million budget. [end recording]

Fiji

Rabuka Warns of Another Possible Coup

BK1606103394 Melbourne Radio Australia in English 0500 GMT 16 Jun 94

[Text] Opposition parties today boycotted Fiji's parliament after Prime Minister Sitiveni Rabuka warned that there might be another coup against the government and that it might involve bloodshed. Mr. Rabuka, who led the two coups in 1987, told parliament during a debate on crime and punishment, there could be no guarantee Fiji would not have another coup nor that it would be bloodless as was the case in 1987. The prime minister said some people blamed present lawlessness in Fiji on the 1987 coups but he would not apologize for having overthrown the elected government of the late Dr. Timoci Bavandra.

Mr. Rabuka pointed to a recent speech in which President Ratu Sir Kamisese Mara warned that poor urban Fijians could become a destabilizing force if their situation was not improved. Referring to the fact that Fiji's Indian population represent the bulk of the business class, Mr. Rabuka said indigenous Fijians felt disadvantaged and that their (?souls) were starving. With new circumstances he said no one could guarantee there would not be another coup. Following Mr. Rabuka's remark, members of the opposition National Federation Party and the Fiji Labor Party walked out and refused to return causing the House of Representatives to adjourn its proceedings until tomorrow.

Papua New Guinea

Port Moresby Mortgages National Assets

BK1506123394 Melbourne Radio Australia in English 0630 GMT 15 Jun 94

[From the "International Report" program]

[Text] Papua New Guinea [PNG] has suddenly found it difficult to borrow overseas to fund its increasing budget deficit. To secure its latest loan, it had to sign over to a syndicate of foreign banks led by the Union Bank of Switzerland first rights to government revenue from major resource projects. Here is Sean Dorney.

[Begin recording] [Dorney] PNG has received something of a jolt from the international commercial banking community. In its first attempt in a number of years to borrow from non-concessional sources overseas, it has found the banks reluctant and skeptical about its financial management. The PNG Government was looking to borrow US$160 million that it wanted to repay over five years. But, after 12 months of tough negotiations, it could get only US$90 million to be paid back over three years and it had to give the banking syndicate led by the Union Bank of Switzerland rights to first call over its revenues from its mining and oil projects. They'll be paid into a bank account in London and if PNG defaults the banks take the revenue. The resource revenues in taxes and dividends are paid into what is called the mineral resources stabilization fund. And the finance minister, Masket Iangalio, had to push an amendment bill through the PNG parliament last week to allow payment into the fund to go to London, not to the Bank of PNG. The fund was set up in the 1970s to help PNG cope with wide fluctuations in revenue resulting from sharp movements in the world's prices of copper and gold. PNG's former prime minister, Rabbie Namaliu, is aghast at the bank's demand.

[Namaliu] What concerns me and the opposition very much is the fact that this is the first time ever in our history since independence that we have been asked to mortgage national assets to foreign banks in order for us to obtain commercial loan. And that's really worrying because not even our grit [as heard] has been accepted by commercial banks, and, in fact, before we could go and borrow commercially without problems and risk because, basically because, the international financial community still had a great deal of confidence in this country.

[Dorney] Mr. Namaliu claims that confidence has been wrecked by the Wingti government's policies of the past three years including such moves as renegotiating the Pago gold mine agreement. The finance minister, Mr. Iangalio, admits he is disappointed by the terms demanded by the foreign banks. [end recording]

Vanuatu

Prime Minister Responds to Policy Statement

BK1606084894 Melbourne Radio Australia in English 0500 GMT 16 Jun 94

[Text] Vanuatu is calling for greater trade among South Pacific island countries to address economic problems raised by Australia in the launching of its policy statement on the South Pacific.

Speaking in Sydney yesterday, Australia's minister for Pacific island affairs, Gordon Bilney, warned the South Pacific that it must improve its economic performance to avoid a bleak future. Vanuatu's prime minister, Maxime Carlot Korman, says Australia has raised the issues at the right time:

[Begin Korman recording] I think the subject announced by Mr. Bilney is the subject of the day. It is so important and I think we can work together to find a solution and make the situation change in the level of economy. [end recording]

However, Mr. Carlot Korman said he does not believe the situation is as bad as Australia has suggested. In his address, Mr. Bilney said that unless the region faces its problem urgently the result could be urban slums, mass unemployment, and lawlessness.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735,or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.